



# VRSA

Virginia Risk Sharing Association

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*More Than Insurance*

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**Virginia Risk Sharing Association and Subsidiaries  
Annual Comprehensive Financial Report  
For the Fiscal Years Ended June 30, 2023 and 2022**



# Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2023 and 2022

## Prepared by:

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# Virginia Risk Sharing Association and Subsidiaries

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*Virginia Risk Sharing Association and Subsidiaries*



**INTRODUCTORY SECTION**

For the Period July 1, 2022 – June 30, 2023

- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting
- Members' Supervisory Board
- Pool Membership
- Staff Listing
- Staff Organization Charts



December 22, 2023

To the Members' Supervisory Board and Members of Virginia Risk Sharing Association

Bureau of Insurance regulations require that all public entity group self-insurance pools in Virginia file a complete set of audited financial statements within six months of the close of each fiscal year. This Annual Comprehensive Financial Report (ACFR) for Virginia Risk Sharing Association (the Pool) fulfills that requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Keiter, Certified Public Accountants, have issued an unmodified ("clean") opinion on Virginia Risk Sharing Association and Subsidiaries' consolidated financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

As required by Generally Accepted Accounting Principles (GAAP), the Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the basic consolidated financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes selected financial and statistical data, generally presented on a multi-year basis.

#### Organization and Profile

The Pool is an unincorporated association formed for the purpose of administering risk management programs in accordance with laws of the Commonwealth of Virginia. The Pool is considered a public entity risk pool for operational purposes. A public entity risk pool is defined as a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. The Pool's membership consists of cities, towns, counties, school divisions and other governmental authorities in Virginia. Pooling allows increased availability and affordability of coverages, as well as overall improvement in risk management.

The Pool is governed by a nine person Members' Supervisory Board that is comprised of eight elected or appointed officials from member jurisdictions and the executive director of Virginia Municipal League. Board members are elected by the membership for three-year terms and may serve multiple terms. The Board elects a Chairman and Vice-Chairman who serve one-year terms. The day-to-day operations of the Pool are overseen by the Managing Director, who is the chief administrative officer

and is responsible for the administrative implementation of policies stated in the Member Agreement and By-Laws as well as any policies established by the Board.

A detailed annual budget is prepared prior to each fiscal year and submitted to the Board for review and approval. The Pool operates on a fiscal year that begins July 1 and ends on June 30. Pool management is responsible for staying within budget and must advise the Board of any unusual or extraordinary items as they arise. Detailed reports comparing budget to actual are provided to the Board on a quarterly basis.

#### Economic Outlook

The Pool's economic outlook is tied to three factors: the economic condition of our members, the reinsurance market, and the financial market. Local public entities seemed to have emerged from the Covid 19 pandemic in relatively good condition from a budgetary perspective. However, there are potential headwinds facing our members including increased financing costs as the result of the Federal Reserve's interest rate policies as well as portfolio losses for securities owned by our members.

The Pool continues to maintain stable membership with high membership retention. The Pool has introduced new coverages and added additional services for the benefit of its members while keeping rates stable or in many instances lowering them. Effective July 1, 2022, the Pool began offering a supplemental Workers Compensation coverage to reimburse employees for out-of-pocket expenses not included in the Workers Compensation Act.

The Pool expects the budgetary climate for members to remain relatively stable for the next few years. The Pool is committed to keeping stable rates and dependable coverages for as long as possible. There are many factors that can affect the Pool's ability to maintain stable rates and dependable coverages, the most significant of which is member loss experience. Losses are highly variable, and the Pool has enjoyed favorable loss results for several years. While some increase in losses is generally expected in any given year, the pace and severity of the increases could impact the Pool's rates in the future.

The second element of the Pool's economic outlook is the reinsurance market. The reinsurance market for workers' compensation has been stable for the last few years. Rates have been affordable and stable during that time and coverage has been sufficient for our needs. We do not see rates rising dramatically or expect any coverage shortages in the near term. The excess liability market has hardened considerably over the past few years with carriers imposing more coverage restrictions, higher retentions, and increased premiums on customers. We expect this trend to continue, but we do not expect it to severely impact the Pool's ability to secure reinsurance given our diverse membership.

The property reinsurance market continues to present a challenge for all insurance concerns including pools. Natural disasters such as hurricanes, wildfires and hailstorms are becoming more frequent and expensive as property values and building costs increase. As such property reinsurance rates have risen at a faster pace than for other lines of coverage. The Pool expects rates for property reinsurance to continue to climb for the next few years. Again, any increase should not be enough to cause

coverage availability or affordability concerns because VRSA has practiced sound underwriting for many years resulting in a strong financial position.

In addition to reinsurance placed through the traditional market, the Pool created Virginia Interlocal Risk Sharing Association RE, LLC (VIRSA RE), a captive reinsurance company, effective July 1, 2018. VIRSA RE is a single member LLC for tax purposes utilizing the core/cell captive structure. The benefits to creating a captive include establishing a formal mechanism to set aside funds to manage losses in certain layers of risk; retain a portion of risk in an historically profitable layer; and addressing unique coverage needs not readily available in the commercial market.

Currently the Pool utilizes the captive for a portion of the workers' compensation, auto liability, general liability, public official's liability, law enforcement liability and cyber reinsurance. The Pool may continue to expand both the amounts of reinsurance and lines of coverage placed through the captive in the future. As a wholly owned subsidiary of the Pool, VIRSA RE's financial results are consolidated in the Pool's ACFR.

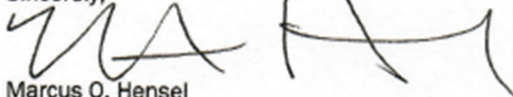
The final element affecting the Pool's financial condition is the financial market, specifically the bond market. The Pool maintains a substantial investment portfolio which represents claim reserves that will be paid out over several years. Most of this portfolio is in fixed interest rate securities. Due to the recent monetary tightening by the Federal Reserve, the Pool experienced decreases in the fair value of the investments in its portfolio. These decreases are reflected in the accompanying financial statements. One positive aspect of higher rates is that going forward the Pool can expect to earn more investment income as lower yielding securities mature and are replaced with higher earning investments.

#### Annual Comprehensive Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Virginia Risk Sharing Association for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of only one year. However, the Pool believes that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we will submit it to the GFOA for consideration of the award for this year as well.

The completion of the ACFR would not have been possible without the Pool's knowledgeable and dedicated team of professionals. A special note of gratitude goes to the Pool's personnel who assisted in this effort.

Sincerely,



Marcus O. Hensel  
Managing Director  
Virginia Risk Sharing Association



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Virginia Risk Sharing Association**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



**Virginia Risk Sharing Association  
Members Supervisory Board  
2022-23**

Chair

Josh Farrar  
Town Manager  
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Vice Chair

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Executive Director  
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City Manager  
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Hanover County  
11375 N Lakeridge Parkway  
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[jabudesky@hanovercounty.gov](mailto:jabudesky@hanovercounty.gov)

**2022 - 2023 VRSA MEMBERSHIP**

Accomack County DSS  
Accomack-Northampton PDC  
Albemarle County Service Authority  
Albemarle/Charlottesville Regional Jail Authority  
Alberta, Town of  
Alexandria ASAP  
Alexandria City Schools  
Alexandria Library  
Alexandria Renew Enterprises  
Alexandria Transit Company  
Alleghany Highlands Regional Library  
Altavista, Town of  
Appalachian Juvenile Commission  
Appomattox Regional Governor's School  
Appomattox River Water Authority  
Appomattox, Town of  
Ashland, Town of  
Augusta County Landfill Trust  
Augusta County Service Authority  
Bath County Service Authority  
Bedford Regional Water Authority  
Bedford, Town of  
Berryville, Town of  
Blacksburg VPI Sanitation Authority  
Blacksburg, Town of  
Blackstone, Town of  
Bloxom, Town of  
Blue Ridge Cigarette Tax Board  
Blue Ridge Court Services  
Blue Ridge Criminal Justice Board  
Blue Ridge Crossroads EDA  
Blue Ridge Juvenile Detention Commission  
Blue Ridge Regional Library  
Boones Mill, Town of  
Botetourt County DSS  
Bowling Green, Town of  
Boyce, Town of  
Boynton, Town of  
Boykins, Town of  
Branchville, Town of  
Breaks Regional Airport Authority  
Bridgewater Industrial Development Authority  
Bridgewater, Town of  
Broadway, Town of  
Brodnax, Town of  
Brookneal, Town of  
Buchanan, Town of  
Buena Vista, City of  
Bull Run ASAP  
Burkeville, Town of  
Campbell County DSS  
Campbell County IDA  
Campbell County Utilities & Services Authority  
Cape Charles, Town of  
Capital Area ASAP  
Capron, Town of  
Cardinal Criminal Justice Academy  
Carroll County DSS  
Cedar Bluff, Town of  
Central Rappahannock Regional Library  
Central Shenandoah Criminal Justice Training Academy  
Central Shenandoah PDC  
Central Virginia ASAP  
Central Virginia Criminal Justice Academy  
Central Virginia Partnership for Economic Development  
Central Virginia Transit Management Company  
Central Virginia Transportation Authority  
Central Virginia Waste Management Authority  
Charlottesville City Schools  
Charlottesville Redevelopment & Housing Authority  
Charlottesville- UVA - Albemarle Emergency Communication Center  
Charlottesville, City of  
Charlottesville-Albemarle Airport Authority  
Charlottesville-Albemarle Convention & Visitors Bureau  
Charlottesville-Albemarle Technical Center  
Chase City, Town of  
Chatham, Town of  
Cheriton, Town of  
Chesapeake Airport Authority  
Chesapeake Bay Bridge & Tunnel District  
Chesapeake City Schools  
Chesapeake Redevelopment & Housing Authority  
Chilhowie, Town of  
Chincoteague, Town of  
Claremont, Town of  
Clarke County DSS  
Clarksville, Town of  
Cleveland, Town of  
Clifton Forge, Town of  
Clifton, Town of  
Clintwood, Town of  
CodeRVA  
Coeburn, Town of  
Colonial Beach Public Schools  
Colonial Beach, Town of  
Colonial Behavioral Health  
Colonial Heights, City of  
Colonial Juvenile Services Commission  
Commonwealth Governor's School  
Community Action Partnership of Staunton, Augusta & Waynesboro  
Court Community Corrections ASAP  
Court Community Corrections DCJS  
Court Community Corrections Drug Court  
Covington, City of  
Covington Redevelopment & Housing Authority  
Craig-New Castle PSA  
Craigsville, Town of  
Crater Criminal Justice Training Academy  
Crater PDC  
Crewe, Town of  
Crossroads IFA c/o Joint IDA of Wythe County  
Culpeper County Schools  
Cumberland Plateau PDC  
Dan River ASAP  
Danville City Schools  
Danville Redevelopment & Housing Authority  
Danville, City of  
Danville-Pittsylvania Regional IFA  
Dayton, Town of  
Dendron, Town of  
Dillwyn, Town of  
Dinwiddie County Water Authority  
District Nine ASAP  
Drakes Branch, Town of  
Dublin, Town of  
Duffield, Town of  
Dumfries, Town of  
Dungannon, Town of  
Eastern Shore Public Library  
Eastville, Town of

**2022 - 2023 VRSA MEMBERSHIP, continued**

Economic Development Authority of the City of Hampton Virginia  
EDA of the City of Winchester  
Edinburg, Town of  
Elkton, Town of  
Emporia, City of  
Essex County DSS  
Exmore, Town of  
Fairfax County Water Authority  
Fairfax, City of  
Falls Church City Schools  
Falls Church, City of  
Farmville, Town of  
Fauquier County Water & Sanitation Authority  
Fincastle, Town of  
Floyd, Town of  
Floyd-Floyd County PSA  
Floyd-Floyd County Tourism Development Council  
Franklin County DSS  
Franklin, City of  
Fredericksburg City DSS  
Fredericksburg EDA  
Fredericksburg, City of  
Frederick-Winchester Service Authority  
Fries, Town of  
Front Royal, Town of  
Galax, City of  
Galax-Carroll Regional Library  
Galax-Grayson EMS  
Gate City, Town of  
Glen Lyn, Town of  
Gloucester County  
Gloucester County DSS  
Gloucester County Schools  
GO Northern Virginia Council Region 7  
Goochland County DSS  
Gordonsville, Town of  
Goshen, Town of  
Grayson County DSS  
Greater Richmond Convention Center Authority  
Greater Roanoke Transit Company d/b/a Valley Metro  
Greensville & Emporia DSS  
Gretna, Town Of  
Grottoes, Town of  
Grundy IDA  
Grundy, Town of  
Halifax County IDA  
Halifax County Service Authority  
Halifax County Tourism Board  
Halifax, Town of  
Hallwood, Town of  
Hamilton, Town of  
Hampton City Schools  
Hampton Redevelopment & Housing Authority  
Hampton Roads Criminal Justice Training Academy  
Hampton Roads PDC  
Hampton Roads Regional Jail Authority  
Hampton Roads Transportation Accountability Commission  
Hampton Roads Workforce Council  
Hampton Roads Workforce Foundation  
Handley Regional Library  
Hanover County  
Hanover County DSS  
Hanover County EDA  
Hanover County Schools  
Harrisonburg Electric Commission  
Harrisonburg Redevelopment & Housing Authority  
Harrisonburg Rockingham ECC  
Harrisonburg Rockingham Regional Sewer Authority  
Harrisonburg Rockingham Social Services  
Harrisonburg, City of  
Haymarket, Town of  
Haysi, Town of  
Henry County PSA  
Henry/Martinsville Social Services  
Herndon, Town of  
Highland County DSS  
Hillsboro, Town of  
Hillsville, Town of  
Hopewell Redevelopment & Housing Authority  
Hopewell, City of  
Hurt, Town of  
Independence, Town of  
Iron Gate, Town of  
Irvington, Town of  
Ivor, Town of  
James River ASAP  
Jarratt, Town of  
Jefferson- Madison Regional Library  
John Tyler ASAP  
Joint PSA of Wythe & Bland Counties  
Juvenile Detention Commission for Northern Virginia  
Keller, Town of  
Kenbridge, Town of  
Keysville, Town of  
Kilmarnock, Town of  
King & Queen County DSS  
King William County  
King William County Public Schools  
Lake Barcroft Watershed Improvement District  
Lancaster County DSS  
Lawrenceville, Town of  
Lebanon, Town of  
Lee County DSS  
Lee County Redevelopment & Housing Authority  
Leesburg, Town of  
Lewistown Commerce Center CDA  
Lexington & Rockbridge Area Tourism  
Lexington, City of  
Lonesome Pine Regional Library  
Loudoun County Sanitation Authority  
Louisa County Water Authority  
Louisa, Town of  
Lovettsville, Town of  
Luray, Town of  
Luray-Page County Airport Authority  
Lynchburg Redevelopment & Housing Authority  
Lynchburg, City of  
Madison County DSS  
Madison, Town of  
Manassas Park, City of and Manassas Park City Schools  
Manassas, City of  
Martinsville City Schools  
Mathews County  
Mathews County DSS  
Maury Service Authority  
McKenney, Town of  
Meherrin Regional Library  
Middle Peninsula Juvenile Detention Commission  
Middle Peninsula Regional Airport Authority  
Middleburg, Town of

**2022 - 2023 VRSA MEMBERSHIP, continued**

Middlesex County EDA  
Middlesex Water Authority  
Middletown, Town of  
Mineral, Town of  
Monterey, Town of  
Montgomery County EDA  
Montgomery Regional Solid Waste Authority  
Montross, Town of  
Mount Crawford, Town of  
Mount Jackson, Town of  
Mount Rogers PDC  
Narrows, Town of  
Nassawadox, Town of  
Nelson County Service Authority  
New Castle, Town of  
New Horizons Regional Education Centers  
New Kent County  
New Market, Town of  
New River Criminal Justice Training Academy  
New River Regional Water Authority  
New River Resource Authority  
New River Valley Emergency Communications Auth.  
New River Valley Juvenile Detention Center  
New River Valley Regional Commission  
New River-Mt. Rogers Workforce Investment  
Newport News City Schools  
Newport News IDA/EDA  
Newsoms, Town of  
Nickelsville, Town of  
Norfolk Redevelopment & Housing Authority  
Northampton County Schools  
Northern Neck Chesapeake Bay Public Access Authority  
Northern Neck PDC  
Northern Shenandoah Valley Regional Commission  
Northern VA Criminal Justice Training Academy  
Northern Virginia Cigarette Tax Board  
Northern Virginia Regional Commission  
Northern Virginia Regional Park Authority  
Northern Virginia Transportation Authority  
Northern Virginia Transportation Commission  
Northumberland County DSS  
Northwestern Regional Juvenile Detention Center  
Norton, City of  
NRV Regional Water Authority  
Occoquan, Town of  
Old Dominion Transit Mgmt Co DBA GRTC Transit System  
Onancock, Town Of  
Onley, Town of  
Orange, Town of  
Painter, Town of  
Pamplin, Town of  
Pamunkey Regional Library  
Parksley, Town of  
PAVAN  
Pearisburg, Town of  
Pembroke, Town of  
Peninsula ASAP  
Peninsula Town Center CDA  
Pepper's Ferry Wastewater Authority  
Petersburg Redevelopment & Housing Authority  
Peumansend Creek Regional Jail Authority  
Phenix, Town of  
Piedmont ASAP  
Piedmont CSB  
Piedmont Regional Criminal Justice Training Academy  
Piedmont Regional Jail Authority  
PlanRVA  
Pocahontas, Town of  
Poquoson City Schools  
Poquoson, City of  
Port Royal, Town of  
Portsmouth Redevelopment & Housing Authority  
Potomac & Rappahannock Transportation Commission  
Pound, Town of  
Powhatan County DSS  
Prince George County Schools  
Prince William County IDA  
Prince William County Schools  
Prince William County Service Authority  
Purcellville, Town of  
Quantico, Town of  
Radford City DSS  
Radford City EDA  
Radford, City of  
Rappahannock Area CSB  
Rappahannock County DSS  
Rappahannock County Water & Sewer Authority  
Rappahannock Juvenile Center  
Rappahannock Regional Criminal Justice Academy  
Rappahannock-Rapidan Regional Commission  
Remington, Town of  
Rich Creek, Town of  
Richlands, Town of  
Richmond Ambulance Authority  
Richmond Behavioral Health Authority  
Richmond Metropolitan Transportation Authority  
Richmond Redevelopment & Housing Authority  
Ridgeway, Town of  
Rivanna Solid Waste Authority  
Rivanna Water & Sewer Authority  
Roanoke Redevelopment and Housing Authority  
Roanoke River Service Authority  
Roanoke Valley Broadband Authority  
Roanoke Valley Juvenile Detention Center  
Roanoke Valley Resource Authority  
Roanoke Valley-Alleghany Regional Commission  
Roanoke, City of  
Rockbridge Area DSS  
Rockbridge Area Network Authority  
Rockbridge Area Recreation Organization  
Rockbridge Regional Library  
Rockbridge Regional Public Safety Communications Center  
Rocky Mount, Town of  
Round Hill, Town of  
Rowanty Vocational Technical Center  
Rural Retreat, Town of  
Russell County DSS  
Salem, City of  
Saltville, Town of  
Saxis, Town of  
Scottsburg, Town of  
Scottsville, Town of  
Sheltercare of Northern Virginia  
Shenandoah County DSS  
Shenandoah Valley Animal Services Center  
Shenandoah Valley Juvenile Center Commission  
Shenandoah, Town of  
Skyline Regional Criminal Justice Academy  
Smithfield, Town of  
Smyth-Washington Regional IFA

**2022 - 2023 VRSA MEMBERSHIP, continued**

South Boston, Town of  
South Central Wastewater Authority  
Southampton County Public Schools  
South Hill, Town of  
Southeastern PSA  
Southeastern Virginia ASAP  
Southern Virginia Recreation Facilities Authority  
Southside PDC  
Southside Regional Juvenile Group Home  
Southside Virginia ASAP  
Southwest Virginia Criminal Justice Training Acad  
Southwest Virginia Regional Recreation Authority  
Southwestern VA Transit Management Company  
St. Paul IDA  
St. Paul, Town of  
Stafford County Schools  
Stanley, Town of  
Staunton City Schools  
Staunton, City of  
Stephens City, Town of  
Stony Creek, Town of  
Stanardsville, Town of  
Strasburg, Town of  
Staunton Redevelopment & Housing Authority  
Stuart, Town of  
Suffolk Redevelopment & Housing Authority  
Suffolk, City of  
Sussex Service Authority  
Tangier, Town Of  
Tazewell County Airport Authority  
Tazewell County DSS  
Tazewell Today, Inc.  
Tazewell, Town Of  
The Governor's School at Innovation Park  
The Governor's School of Southside Virginia  
The Plains, Town of  
Thomas Jefferson PDC  
Tidewater Youth Services Commission  
Timberlake WID  
Timberville, Town Of  
Toms Brook, Town of  
Transportation District Comm of Hampton Roads  
Tri River ASAP  
Troutville, Town of  
Twin County E911 Regional Commission  
Upper Occoquan Service Authority  
Urbanna, Town of

Vaco VML Pooled OPEB Trust  
Valley CSB  
Victoria, Town of  
Vienna, Town of  
Vint Hill EDA  
Vinton, Town of  
Virgilina, Town of  
Virginia Energy Purchasing Governmental Assoc  
Virginia Highlands Airport Authority  
Virginia Investment Pool Trust Fund  
Virginia Municipal Electric Association  
Virginia Peninsulas PSA  
Virginia Tech-Montgomery Exec Airport Authority  
Wachapreague, Town of  
Warm Springs Sanitation Commission  
Warren County  
Warren County Volunteer Fire/EMS  
Warrenton, Town of  
Warsaw, Town of  
Washington County DSS  
Washington County Service Authority  
Washington, Town of  
Waverly, Town of  
Waynesboro Public Schools  
Waynesboro RDHA  
Waynesboro, City of  
West Point, Town of  
Western Tidewater CSB  
Western Tidewater Regional Jail Authority  
Western Tidewater Water Authority  
Western Virginia Regional IFA  
Western Virginia Water Authority  
Westmoreland County  
White Stone, Town of  
Williamsburg EDA  
Williamsburg Redevelopment & Housing Authority  
Williamsburg Regional Library  
Williamsburg, City of  
Winchester, City of  
Windsor, Town of  
Wired Road Authority  
Wise, Town of  
Woodstock, Town of  
Wytheville, Town of  
York County  
York County Schools  
York-Poquoson Social Services

**Virginia Risk Sharing Association  
Staff Listing  
July 1, 2022 – June 30, 2023**

**Administration**

Marcus Hensel                      Managing Director

**Analytics**

Kari Soniat                      Director of Analytics  
Jen Lee                              Business Data Analyst

**Communications**

Hollie Cammarasana              Director of Communications

**Finance**

Jeff Nickey                          Deputy Managing Director

**HR**

Tina Stevens                      Director of Human Resources

**Information Services**

Mary Kay Marchetti              Director of Information Services  
Judy Huang                      Senior Software Engineer  
Emily Murphy                      Sr. Business Systems Administrator

**Member Services**

Harry McMillen                      Member Services Specialist  
Nora Pierre                          Senior Account Executive  
Lisa Schenk                          Senior Account Executive  
Peter Stephenson                  Local Government Specialist  
Karen Wall                          Administrative Specialist

**Operations**

Lisa Hart                              Operations Manager  
Jackie Stauffer                      Administrative Specialist  
Lisa Welch                          Accounting Assistant

**Risk Services**

Thomas Bullock                      Director of Education & Training  
Fonda Craig                          Senior Safety Consultant  
Gary Dillon                          Public Safety Specialist  
Christine Gillison                  Safety Consultant  
Eddie Shelton                      Safety Specialist

**Underwriting**

Cathie Moreland-Hasty              Director of Underwriting  
Ann Chandler                          Senior Underwriter  
Crystal Griffin                      Senior Underwriter  
Karen Nuckols                      Underwriting Specialist

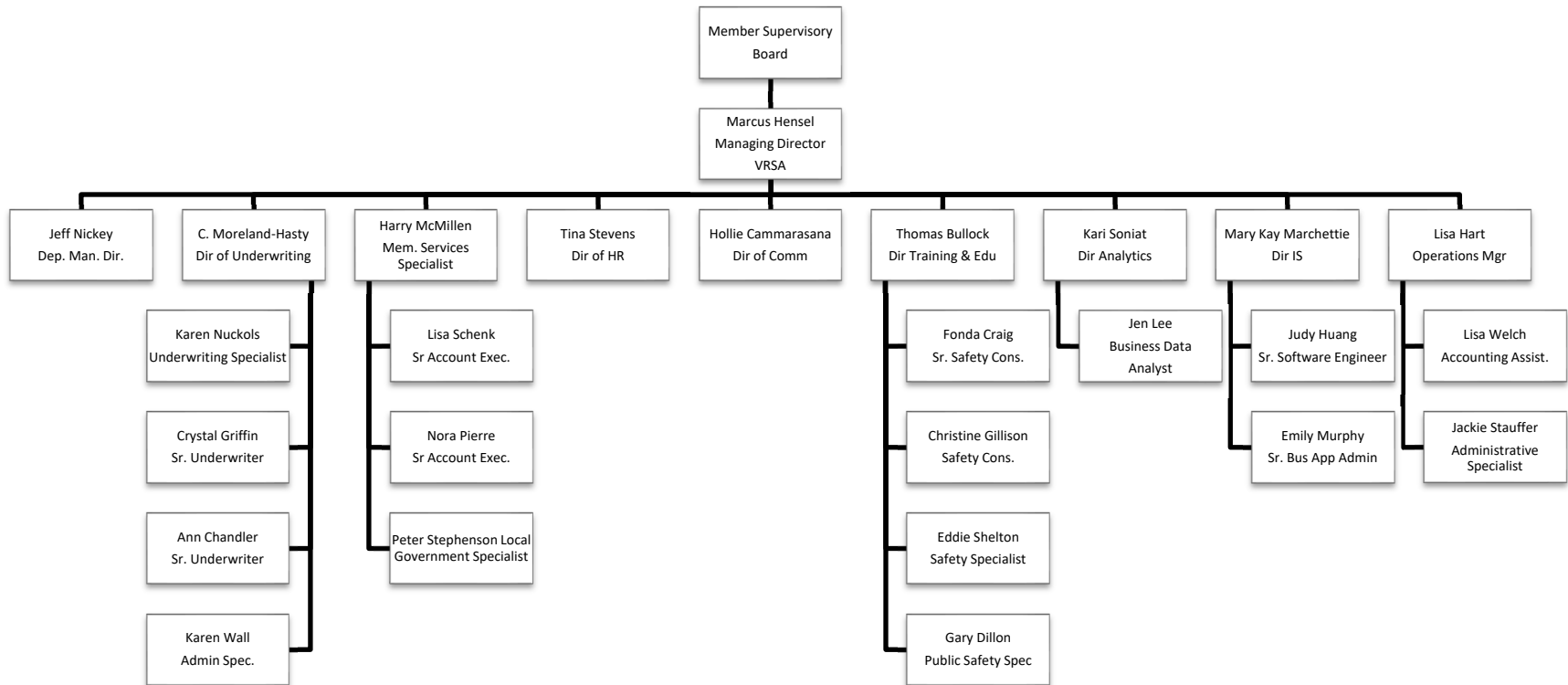
**Property & Liability Claims**

Tracey Dunlap                      Director of P & L Claims  
Pari Ashkani                          Claims Representative  
Alyssa Barkins                      Fast Track Representative  
Gloria Bell                          Claims Representative  
Ryan Berberich                      Claims Supervisor  
Qiana Brandon                      Claims Representative  
Melissa Cook                      Claims Representative  
Joseph Cujas                      Senior Claims Representative  
Pamela Jones                      Senior Claims Representative  
Sally Nutsford                      Claims Representative  
Pam Pitts                              Recovery Specialist  
Kai Smith                              Fast Track Representative

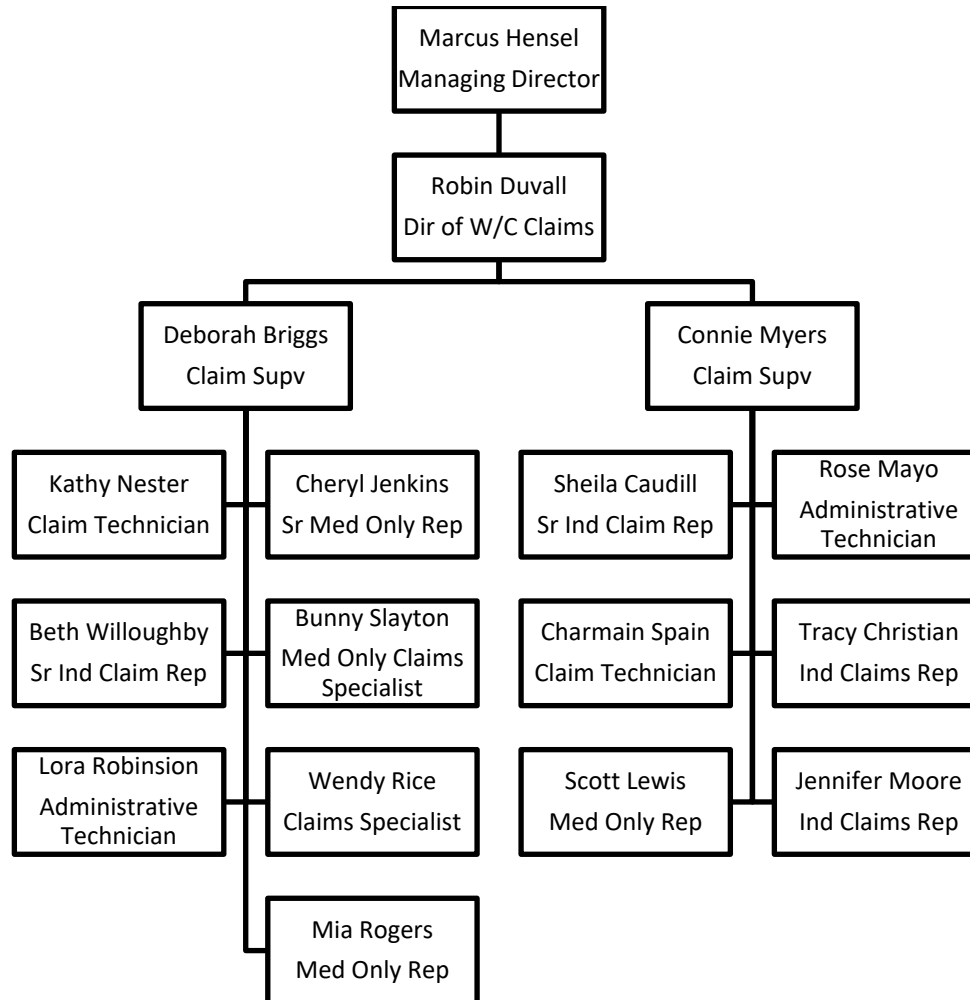
**Worker's Compensation Claims**

Robin Duvall                      Director of WC Claims  
Joanne Allen                          Patient Advocate  
Deborah Briggs                      Claims Supervisor  
Sheila Caudill                      Senior Indemnity Claims Rep  
Tracy Christian                      Indemnity Claims Rep  
Cheryl Jenkins                      Senior Medical Only Claims Rep  
Scott Lewis                          Medical Only Claims Rep  
Rose Mayo                          Senior Administrative Technician  
Jennifer Moore                      Indemnity Claims Rep  
Connie Myers                      Claims Supervisor  
Kathy Nester                      Claims Technician  
Wendy Rice                          Claims Specialist  
Lora Robinson                      Senior Administrative Technician  
Mia Rogers                          Medical Only Claims Rep  
Bunny Slayton                      Medical Only Claims Specialist  
Charmaine Spain                      Senior Claims Technician  
Robin Wiley                          Administrative Specialist  
Beth Willoughby                      Senior Indemnity Claims Rep

**Virginia Risk Sharing Association  
Staff Organization Charts  
July 1, 2022 – June 30, 2023**

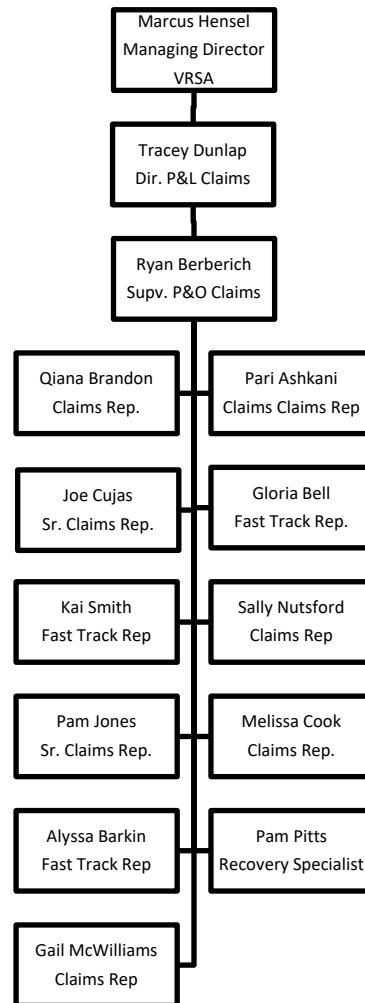


Virginia Risk Sharing Association  
 Staff Organization Charts, Continued  
 July 1, 2022 – June 30, 2023





**Virginia Risk Sharing Association  
Staff Organization Charts, Continued  
July 1, 2022 – June 30, 2023**



*Virginia Risk Sharing Association and Subsidiaries*



**FINANCIAL SECTION**

For the Period July 1, 2022 – June 30, 2023

- Independent Auditor’s Report
- Management Board Acknowledgement
- Management’s Discussion and Analysis
- Consolidated Financial Statements
  - Statements of Net Position
  - Statements of Revenues, Expenses and Changes in Net Position
  - Statements of Cash Flows
  - Notes to Consolidated Financial Statements
- Required Supplementary Information
  - Liability for Unpaid Losses, Net, by Type of Contract
  - Ten-Year Claims Development Information
- Other Supplementary Information
  - Consolidated Schedule of Revenues and Expenses by Line of Coverage

## INDEPENDENT AUDITOR'S REPORT

The Members' Supervisory Board  
Virginia Risk Sharing Association

### Opinion

We have audited the accompanying consolidated financial statements of Virginia Risk Sharing Association and Subsidiaries ("the Pool"), which comprise the consolidated statements of net position as of June 30, 2023 and 2022, and the related consolidated statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Virginia Risk Sharing Association and Subsidiaries as of June 30, 2023 and 2022, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Virginia Risk Sharing Association and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Risk Sharing Association and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States will always detect a material misstatement

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements, Continued**

when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Virginia Risk Sharing Association and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Risk Sharing Association and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States require that the management's discussion and analysis, on pages 19 through 24, the liability for unpaid losses, net, by type of contract, and the ten-year claims development information on pages 41 through 44 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Pool's basic consolidated financial statements as a whole. The introductory sections, supplementary consolidated schedule of revenues and expenses by line of coverage, and statistical section are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements.

The supplementary consolidated schedule of revenues and expenses by line of coverage on page 45 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary consolidated schedule of revenues and expenses by line of coverage is fairly stated, in all material respects, in relation to the basic consolidated financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic consolidated information and our auditor's report thereon. Our opinions on the basic consolidated financial statements do not cover the other information, and we do not express an opinion or any form of assurance on them.

In connection with our audit of the basic consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pool's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pool's internal control over financial reporting and compliance.



December 22, 2023  
Glen Allen, Virginia

VIRGINIA RISK SHARING ASSOCIATION AND SUBSIDIARIES

Pursuant to Section 14VA5-360-60 of the Virginia Administrative Code, we hereby submit the accompanying financial statements and supplemental data of the Virginia Risk Sharing Association and subsidiaries.



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Chair, Board of Directors



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Administrator

# Virginia Risk Sharing Association and Subsidiaries

## Management's Discussion and Analysis

June 30, 2023 and 2022

### ANNUAL COMPREHENSIVE FINANCIAL REPORT

This section of the Virginia Risk Sharing Association and its subsidiaries', Virginia Local Government Risk Agency, LLC and Virginia Interlocal Risk Sharing Association RE, LLC, (the Pool) annual comprehensive financial report presents a discussion and analysis of the Pool's financial performance during the fiscal years ended June 30, 2023 and 2022. Please read it in conjunction with your review of the Pool's consolidated financial statements.

### FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2023

- For the year ended June 30, 2023 the change in net position was \$20,492,112 as compared to changes in net position of (\$37,769,882) in 2022 and \$2,326,528 in 2021. This brings total net position as of June 30, 2023 to \$124,966,928, which represents a 19.6% increase as compared to June 30, 2022. The decrease in net position from June 30, 2021 to June 30, 2022 was 26.6%.
- Operating revenues increased 8.2% or \$5,152,605 in 2023 following an increase of 5.6% or \$3,356,335 in 2022. Operating revenues are derived primarily from member contributions for insurance coverage, which are dependent on many factors including changes in the Pool's members, members' exposures, member loss experience, as well as underwriting rates. The Pool uses various member exposures to determine member contributions based on the type of member and the line of coverage. These exposures may include any of the following factors individually or in combination: net operating expenses, payrolls, payroll classifications, building values, number and type of automobiles, and school enrollment. The increase in 2023 and 2022 are attributable to changes in these factors.
- Operating expenses decreased 29.5% or \$21,406,694 in 2023 following an increase of 11.8% or \$7,649,930 in 2022. Operating expenses consists of provision for losses, reinsurance, program administration fees and other expenses. Provision for losses represents 46.1% of the Pool's operating expenses for 2023 and 65.8% of operating expenses for 2022. The provision for losses decreased \$24,213,897 in 2023 from 2022 attributable primarily to a decrease in the provision for insured events of prior years, as detailed in Note F. The decrease was distributed across multiple lines of coverage and various fund years.
- Non-operating income increased by \$31,702,695 during 2023, following a decrease of \$35,802,815 in 2022. Non-operating income consists of investment income, net increase or decrease in fair value of investments and non-operating expenses. Investment income increased \$1,398,069 or 18.3% in 2023 and decreased \$566,734 or 6.9% in 2022. The fair value of investments decreased \$4,848,793 which represents an improvement of \$30,363,356 from the prior year loss. The net increase or decrease in the fair value of investments is dependent on many factors including the type of security, the maturity date, the credit worthiness of the issuer as well as changes in the general economy. The changes in fair value of investments in both years were attributable to changes in these factors. Generally, when interest rates rise the value of securities held in the portfolio drop.

Virginia Risk Sharing Association and Subsidiaries  
Management's Discussion and Analysis, Continued

June 30, 2023 and 2022

**OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis* (this section), the *audited consolidated financial statements* consisting of consolidated statements of net position; consolidated statements of revenues, expenses, and changes in net position; consolidated statements of cash flows; and related footnotes, the *required supplementary information, and other supplementary information*.

*Consolidated Statements of Net Position* provide an indication of the Pool's financial health by reporting the difference between total assets and total liabilities and how they have changed from the prior year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Pool is improving or deteriorating.

*Consolidated Statements of Revenues, Expenses and Changes in Net Position* report all of the revenues and expenses during the time periods indicated as well as the change in net position during the year. The Pool reports information using the full accrual basis of accounting similar to that used by private-sector companies. This means all revenues and expenses, including estimated items, are recognized regardless of whether cash has been received or paid.

*Consolidated Statements of Cash Flows* report the cash provided and used by operating activities as well as other cash sources such as investment income. A major source of operating cash inflow was member contributions, while claims and claim adjustment expenses represented the main operating cash outflow.

*Notes to Consolidated Financial Statements* provide additional information and schedules that are essential to a complete understanding of the data provided in the consolidated financial statements.

Required supplementary information consists of the *Liability for Unpaid Losses, Net, by Type of Contract*, and the *Ten-Year Claims Development Information*, and other supplementary information consists of the *Supplementary Consolidated Schedule of Revenues and Expenses by Line of Coverage*. This information further explains and supports the information in the audited basic consolidated financial statements.



Virginia Risk Sharing Association and Subsidiaries  
Management's Discussion and Analysis, Continued

June 30, 2023 and 2022

**FINANCIAL ANALYSIS OF THE POOL**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<b>2023-2022 Percentage change</b>	<u>June 30, 2021</u>	<b>2022-2021 Percentage change</b>
Current assets	\$ 80,804,972	\$ 74,676,849	8.2%	\$ 71,963,955	3.8%
Capital assets	3,917,320	3,944,551	(0.7)	4,485,013	(12.1)
Noncurrent assets	<u>265,757,868</u>	<u>270,546,248</u>	(1.8)	<u>291,054,937</u>	(7.0)
Total assets	<u>350,480,160</u>	<u>349,167,648</u>	0.4	<u>367,503,905</u>	(5.0)
Current liabilities	26,349,955	35,144,610	(25.0)	29,765,280	18.1
Noncurrent liabilities	<u>199,163,277</u>	<u>209,548,222</u>	(5.0)	<u>195,493,927</u>	7.2
Total liabilities	<u>225,513,232</u>	<u>244,692,832</u>	(7.8)	<u>225,259,207</u>	8.6
Net Position:					
Net investment in capital assets	3,917,320	3,944,551	(0.7)	4,485,013	(12.1)
Unrestricted	99,664,499	79,817,169	24.9	117,674,649	(32.2)
Restricted by regulation	<u>21,385,109</u>	<u>20,713,096</u>	3.2	<u>20,085,036</u>	3.1
Total net position	<u>\$124,966,928</u>	<u>\$104,474,816</u>	19.6	<u>\$142,244,698</u>	(26.6)

**Comments**

- Total assets increased 0.4% or \$1,312,512 and decreased 5.0% or \$18,336,257 at June 30, 2023 and June 30, 2022 as compared to prior years, respectively. The increase and decrease in investments accounts for most of the changes in total assets in both 2023 and 2022, respectively. The Pool historically reinvests interest payments in new securities as they are received during the year as well as periodically allocating new funds to investments when able. Fair value adjustments negatively impacted investment balances in 2023 and 2022, respectively, but the impact was less severe in 2023.
- Total capital assets decreased 0.7% or \$27,231 and 12.1% or \$540,462 at June 30, 2023 and June 30, 2022 as compared to prior years, respectively. The decrease in capital assets primarily related to asset additions and disposals and depreciation. See Note G.
- Total liabilities decreased 7.8% or \$19,179,600 and increased 8.6% or \$19,433,625 at June 30, 2023 and June 30, 2022 as compared to the prior years, respectively. The majority of the changes in both years results from changes in loss reserves which are based on actuarial analyses that reflect recent settlements, claim frequency, and other economic and social factors.

## Virginia Risk Sharing Association and Subsidiaries

### Management's Discussion and Analysis, Continued

June 30, 2023 and 2022

- Total net position increased 19.6% or \$20,492,112 and decreased 26.6% or (\$37,769,882) at June 30, 2023 and at June 30, 2022 as compared to prior years, respectively. Net position consists of: amounts invested in capital assets, net of related debt; amount unrestricted for the Pool's general operations; and amount restricted for regulatory requirements. The establishment of the restricted amount is required by the State Corporation Commission Bureau of Insurance of the Commonwealth of Virginia (the Commission) regulations. Net position classified as restricted may only be used with the Commission's approval. See Note E. Restricted net position increased \$672,013 and \$628,060 for the years ended June 30, 2023 and 2022, respectively, in accordance with the Commission's regulations.

Virginia Risk Sharing Association and Subsidiaries  
Management's Discussion and Analysis, Continued

June 30, 2023 and 2022

**SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION OF THE POOL**

	2023	2022	2023-2022 Percentage change	2021	2022-2021 Percentage change
Operating revenues:					
Member contributions	\$ 68,113,443	\$ 62,803,699	8.5%	\$ 59,511,531	5.5%
Miscellaneous income, net	<u>144,492</u>	<u>301,631</u>	(52.1)	<u>237,464</u>	27.0
Total operating revenues	<u>68,257,935</u>	<u>63,105,330</u>	8.2	<u>59,748,995</u>	5.6
Operating expenses:					
Provision for losses and loss adjustment expense	23,583,618	47,797,515	(50.7)	43,384,288	10.2
Program administration costs	13,028,976	12,463,344	4.5	11,550,679	7.9
Reinsurance premiums	<u>14,595,859</u>	<u>12,354,288</u>	18.1	<u>10,030,250</u>	23.2
Total operating expenses	<u>51,208,453</u>	<u>72,615,147</u>	(29.5)	<u>64,965,217</u>	11.8
Operating income (loss)	<u>17,049,482</u>	<u>(9,509,817)</u>	(279.3)	<u>(5,216,222)</u>	82.3
Non-operating revenues and losses:					
Investment income	9,043,076	7,645,007	18.3	8,211,741	(6.9)
Net decrease in fair value of investments	<u>(4,848,793)</u>	<u>(35,212,149)</u>	(86.2)	<u>150,313</u>	(23,525.9)
Net nonoperating revenues and losses	<u>4,194,283</u>	<u>(27,567,142)</u>	(115.2)	<u>8,362,054</u>	(429.7)
Non-operating expenses:					
Other nonoperating expenses	<u>751,653</u>	<u>692,923</u>	8.5	<u>819,304</u>	(15.4)
Non-operating income (loss)	<u>3,442,630</u>	<u>(28,260,065)</u>	(112.2)	<u>7,542,750</u>	(474.7)
Change in net position	20,492,112	(37,769,882)	(154.3)	2,326,528	(1,723.4)
Net position:					
Beginning of year	<u>104,474,816</u>	<u>142,244,698</u>	(26.6)	<u>139,918,170</u>	1.7
End of year	<u>\$ 124,966,928</u>	<u>\$ 104,474,816</u>	19.6	<u>\$ 142,244,698</u>	(26.6)

**Comments**

- Member contributions increased 8.5% or \$5,309,744 during the year ended June 30, 2023 and 5.5% or \$3,292,168 during the year ended June 30, 2022. Member contributions are dependent on numerous factors including member payrolls; payroll classifications; lines of coverage; quantity and value of owned property; member loss experience, as well as underwriting rates. The increases in 2023 and 2022 are attributable to changes in these factors.
- Miscellaneous income decreased 52.1% or \$157,139 in 2023 and increased 27.0% or \$64,167 in 2022. Miscellaneous income includes compensation for placing certain coverages with other insurance providers that cannot be written within the Pool, as well as other services provided by the Pool for a fee. The change in 2023 was primarily due to an decrease in compensation for placing coverages outside of the Pool.

## Virginia Risk Sharing Association and Subsidiaries

### Management's Discussion and Analysis, Continued

June 30, 2023 and 2022

- Provision for losses decreased by 50.7% or \$24,213,897 for the year ended June 30, 2023 and increased 10.2% or \$4,413,227 for the year ended June 30, 2022. Losses are determined by actuarial analysis and include many factors, such as historical patterns, anticipated inflation and current retention levels. The provision for losses and loss adjustment expenses in 2023 was \$23,583,618. This represented a loss ratio (losses and loss adjustment expenses incurred divided by net member contributions) of 34.6% for 2023. The provision for losses and loss adjustment expenses in 2022 were \$47,797,515. This represented a loss ratio of 76.1% for 2022. At each year end, a liability is recorded representing the estimated reserve for losses and loss adjustment expenses. As more information subsequently becomes available, changes in the estimated liability are reflected in current operations. Such changes in the estimated reserve for losses and loss adjustment expenses are referred to as development. Favorable (downward) development in the reserves of \$41,300,116 for accident years 2022 and prior emerged in 2023 and \$15,072,780 of favorable development in the reserves for accident years 2021 and prior emerged in 2022. Accordingly, losses and loss adjustment expenses reported in the respective years were adjusted by such development. No one claim attributed significantly to this development.
- Included in the provision for losses is unallocated loss adjustment expense (ULAE). The provision for ULAE increased 3.6% to \$1,946,766 for the year ended June 30, 2023 and increased 47.5% or \$1,878,490 for the year ended June 30, 2022. ULAE represents the estimated costs to administer claims which remained open as of year-end and for which the Pool has an obligation to handle to closure. Unallocated loss adjustment expenses are determined by actuarial analysis and include many factors, such as historical patterns, anticipated inflation and current retention levels. The changes in both years are reflective of these factors.
- Program administration costs increased 4.5% or \$565,632 and 7.9% or \$912,665 for the years ended June 30, 2023 and 2022, respectively. Program administration costs consists of all costs necessary to operate the Pool including: salaries and benefits; information technology; travel; postage and supplies; taxes and insurance, as well as program promotion. The increases in 2023 and 2022 are attributable to changes in these costs.
- Reinsurance premiums increased 18.1% or \$2,241,571 for the year ended June 30, 2023 and 23.2% or \$2,324,038 for the year ended June 30, 2022. Reinsurance expense is dependent on many factors including the reinsurers' policy limits, the Pool's retention amounts, the Pool's members' exposures as well as the reinsurers' underwriting rates. The change in reinsurance expense in both 2023 and 2022 was a result of changes in these factors. Generally reinsurance costs move inversely to the amount of the claim retention. Each year the Pool reviews its reinsurance needs and makes decisions based on the affordability and availability of coverage as well as the Pool's ability to absorb potentially higher claim costs resulting from higher retention levels.
- Investment income increased 18.3% or \$1,398,069 for the year ended June 30, 2023 and decreased 6.9% or \$566,734 for the year ended June 30, 2022. Investment income is dependent on many factors including the type and maturity of the investment, the number of securities in the portfolio, the rate at which the investment was originally purchased and the credit worthiness of the issuer. The changes in 2023 and 2022 are attributable to changes in these factors.

## Virginia Risk Sharing Association and Subsidiaries

### Management's Discussion and Analysis, Continued

June 30, 2023 and 2022

- The fair value of investments decreased \$4,848,793 in 2023 and decreased \$35,212,149 in 2022. The net increase or decrease in the fair value of investments is dependent on many factors including the type of security, the maturity date, the credit worthiness of the issuer as well as changes in the general economy. The changes in fair value of investments in both years were attributable to changes in these factors. The fair value of investments generally moves inversely with changes in interest rates.
- Non-operating expenses increased 8.5% or \$58,730 in 2023 and decreased 15.4% or \$126,381 in 2022. Nonoperating expenses consists of investment fees and grants. Investment fees are based on the fair value of investments as well as the rates charged by the investment manager. The grant program is approved each year by the Board with the overall amount based on available Pool resources. Grants are awarded to members to assist with their individual loss control efforts.

#### **CONTACTING THE POOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide members and creditors with a general overview of the Pool's finances and to demonstrate the Pool's accountability for the money it receives. Persons with questions concerning this report or requests for additional financial information should direct them to Jeffrey Nickey, Deputy Managing Director, P.O. Box 3239, Glen Allen, Virginia 23058, or visit the Pool's website at [www.vrsa.us](http://www.vrsa.us).

# Virginia Risk Sharing Association and Subsidiaries

## Consolidated Statements of Net Position

	As of June 30,	
Assets	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 22,401,258	\$ 24,237,275
Investments	50,054,626	42,130,234
Accounts and contributions receivable	2,223,829	527,679
Accrued interest receivable	1,833,095	1,347,949
Reinsurance receivable	3,033,275	5,607,611
Prepaid expenses	1,258,889	826,101
Total current assets	<u>80,804,972</u>	<u>74,676,849</u>
Noncurrent assets:		
Capital Assets		
Building and improvements	5,183,684	4,808,593
Furniture and equipment	2,310,372	2,308,958
Less accumulated depreciation	(3,576,736)	(3,173,000)
	3,917,320	3,944,551
Investments	265,597,868	270,386,248
Restricted deposit	160,000	160,000
Total non-current assets	<u>269,675,188</u>	<u>274,490,799</u>
Total assets	<u>\$ 350,480,160</u>	<u>\$ 349,167,648</u>
Liabilities and Net Position		
Current liabilities:		
Liability for unpaid losses, net	\$ 22,129,254	\$ 29,949,803
Contributions collected in advance	2,509,378	3,370,875
Reinsurance payable	83,988	12,446
Other liabilities	1,627,335	1,811,486
Total current liabilities	<u>26,349,955</u>	<u>35,144,610</u>
Noncurrent liabilities:		
Liability for unpaid losses, net	199,163,277	209,548,222
Total liabilities	<u>225,513,232</u>	<u>244,692,832</u>
Net position:		
Net investment in capital assets	3,917,320	3,944,551
Unrestricted	99,664,499	79,817,169
Restricted by regulation - contingency reserve (see Note E)	21,385,109	20,713,096
Total net position	<u>124,966,928</u>	<u>104,474,816</u>
Total liabilities and net position	<u>\$ 350,480,160</u>	<u>\$ 349,167,648</u>

See accompanying notes to the consolidated financial statements.

# Virginia Risk Sharing Association and Subsidiaries

## Consolidated Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	<u>2023</u>	<u>2022</u>
Operating revenues:		
Member contributions	\$ 68,113,443	\$ 62,803,699
Miscellaneous income, net	<u>144,492</u>	<u>301,631</u>
Total operating revenues	68,257,935	63,105,330
Operating expenses:		
Provision for losses and loss adjustment expenses	23,583,618	47,797,515
Program administration costs	13,028,976	12,463,344
Reinsurance premiums	<u>14,595,859</u>	<u>12,354,288</u>
Total operating expenses	<u>51,208,453</u>	<u>72,615,147</u>
Operating income (loss)	17,049,482	(9,509,817)
Non-operating revenues and losses:		
Investment income	9,043,076	7,645,007
Net decrease in fair value of investments	<u>(4,848,793)</u>	<u>(35,212,149)</u>
Total nonoperating revenues (losses)	4,194,283	(27,567,142)
Non-operating expenses	<u>751,653</u>	<u>692,923</u>
Non-operating income (loss), net	<u>3,442,630</u>	<u>(28,260,065)</u>
Change in net position	20,492,112	(37,769,882)
Net position at beginning of year	<u>104,474,816</u>	<u>142,244,698</u>
Net position at end of year	<u>\$ 124,966,928</u>	<u>\$ 104,474,816</u>

See accompanying notes to the consolidated financial statements.

# Virginia Risk Sharing Association and Subsidiaries

## Consolidated Statements of Cash Flows

	Years Ended June 30,	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Receipts from members	\$ 65,555,796	\$ 65,473,245
Payments for reinsurance premiums	(14,524,317)	(12,419,437)
Receipts from reinsured claims	8,678,639	14,456,964
Payments for claims and claims adjustment expenses	(47,893,415)	(44,079,792)
Receipts from miscellaneous income, net	144,492	301,631
Payments for administrative and general expenses	(13,242,179)	(12,639,362)
Net cash provided by (used in) operating activities	<u>(1,280,984)</u>	<u>11,093,249</u>
Cash flows from noncapital financing activities:		
Risk management grants	(341,324)	(273,413)
Net cash used for noncapital financing activities	<u>(341,324)</u>	<u>(273,413)</u>
Cash flows from capital and related financing activities:		
Purchase of property and equipment	(376,505)	-
Net cash used for capital and related financing activities	<u>(376,505)</u>	<u>-</u>
Cash flows from investing activities:		
Proceeds from calls and maturities of investments	52,043,485	75,448,378
Purchases of investments	(60,028,290)	(87,842,446)
Investment income	8,147,601	7,168,864
Net cash provided by (used in) investing activities	<u>162,796</u>	<u>(5,225,204)</u>
Net change in cash and cash equivalents	(1,836,017)	5,594,632
Cash and cash equivalents:		
Beginning of year	24,237,275	18,642,643
End of year	<u>\$ 22,401,258</u>	<u>\$ 24,237,275</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$17,049,482	(\$9,509,817)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation expense	403,736	540,462
Provision for losses	(18,205,494)	17,345,836
Changes in assets and liabilities:		
Accounts and contributions receivable	(1,696,150)	546,384
Reinsurance receivable	2,574,336	828,851
Other prepaids	(432,788)	(746,256)
Contributions collected in advance	(861,497)	2,123,162
Reinsurance payable	71,542	(65,149)
Other liabilities	(184,151)	29,776
Net cash provided by (used in) operating activities	<u>\$ (1,280,984)</u>	<u>\$ 11,093,249</u>
Noncash investing activities:		
Decrease in fair value of investments	<u>\$ (4,848,793)</u>	<u>\$ (35,212,149)</u>



# Virginia Risk Sharing Association and Subsidiaries

## Notes to Consolidated Financial Statements

### Note A – Organization and Nature of Operations

The Pool is an unincorporated association formed for the purpose of establishing risk management programs in accordance with the laws of the Commonwealth of Virginia. The Pool commenced operations on July 1, 1986 as the Virginia Municipal Liability Pool (VMLP) and assumed the name VML Insurance Programs effective July 1, 2010 while simultaneously merging with the Virginia Municipal Group Self Insurance Association (VMGSIA).

On March 14, 2019, The Pool's Board voted to change the name of the Pool from VML Insurance Programs to Virginia Risk Sharing Association effective July 1, 2019. The new name better reflects the Pool's breadth of membership and emphasizes the collaborative nature of public entity risk pooling. For all practical purposes the Pool began using the new name upon passage of the resolution.

The Pool provides commercial general liability, automobile physical damage, automobile liability, property, boiler and machinery, fidelity and crime, law enforcement, public officials', workers compensation, cyber, and Line of Duty Act coverage for political subdivisions of the Commonwealth of Virginia. The Pool also provides excess liability coverage to its members, which is to a large extent reinsured, as approved by the State Corporation Commission, Bureau of Insurance of the Commonwealth of Virginia ("the Commission").

Members may withdraw from the Pool upon thirty (30) days advance written notice to the Board. After a Member has been in the Pool for three (3) consecutive years, the Member may withdraw upon thirty (30) days written notice to the Board and shall be entitled to share in any surplus assets of the fund; upon such termination however, the Member will not receive any refunds of paid contributions, assessments or investment income.

As required by Commission regulations, members of group self-insurance pools may be subject to an assessment for any fund years in which they participated in such pool. Members purchasing workers' compensation coverage are jointly and severally liable to the other members purchasing workers' compensation coverage pursuant to Va. Code § 15.2-2703(C), and membership in the Pool shall not relieve the Member's obligations imposed by Title 65.2 of the Virginia Code as an employer to its employees.

Members of the Pool are not jointly and severally liable for losses which do not arise out of the workers' compensation line of coverage. In addition, a member of the Pool which does not purchase workers' compensation coverage shall not be jointly and severally liable for workers' compensation losses. In the event of the Pool's deficit as to all lines other than workers' compensation coverage, the Pool may require an assessment of all members purchasing coverages other than workers' compensation coverage in the proportion which the contribution of each member bears to the total contributions of all members in the year in which such deficit occurs; provided, however, in no event shall such assessment exceed two (2) times the member's annual contribution.

No such assessments have ever been required during the Pool's existence. Pool members as of June 30, 2023 included 484 cities, towns, counties, and other political subdivisions. Pool membership as of June 30, 2022 included 479 cities, towns, counties, and other political subdivisions.

Effective September 1, 2013, VRSA formed the Virginia Local Government Risk Agency, LLC (VLGRA). VLGRA is a wholly owned subsidiary of VMLIP, created as a disregarded entity for tax purposes to place certain types of insurance coverage that cannot be written within the Pool. VLGRA is an insurance agency and will be primarily used for flood insurance and short-term disability.

# Virginia Risk Sharing Association and Subsidiaries

## Notes to Consolidated Financial Statements, Continued

### **Note A – Organization and Nature of Operations, Continued**

On July 1, 2018 the Pool created Virginia Interlocal Risk Sharing Association RE, LLC (VIRSA RE), a captive reinsurance company. VIRSA RE is a single member LLC for tax purposes utilizing the core/cell captive structure. The benefits of creating a captive include: establishing a formal mechanism to set aside funds to manage losses in certain layers of risk; retaining a portion of risk in a historically profitable layer; and addressing unique coverage needs not readily available in the commercial markets.

Currently the Pool utilizes the captive for a portion of the workers compensation and liability lines of coverage. The Pool may expand both the amounts of reinsurance and lines of coverage placed through the captive in the future.

As wholly owned subsidiaries of the Pool, the financial results of VIRSA RE and VLGRA are included in the Pool's ACFR.

### **Note B – Summary of Significant Accounting Policies**

#### *Basis of Accounting*

The accounting policies of the Pool follow generally accepted accounting principles ("GAAP") applicable to public entity risk pools, as prescribed by Governmental Accounting Standards Board ("GASB"). The Pool uses the economic resources measurement focus and the accrual basis of accounting and is accounted for as a proprietary fund.

#### *Use of Estimates*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed therein. Significant estimates included in these consolidated financial statements primarily relate to the assumptions and methods used to estimate the liability for unpaid losses as described below.

The industry in which the Pool operates is affected by numerous factors and circumstances, some of which cannot be predicted or controlled. Among them are (1) an insurers' ability to enter into suitable future reinsurance agreements is subject to prevailing conditions in the reinsurance markets which may change risk-retention levels; (2) fluctuations in interest rates affect the value and income yield of an insurer's investment portfolio in the short-term, and often affect default and prepayment rates over time; (3) future inflation may result in ultimate loss settlements different from the amounts originally anticipated; (4) catastrophic or unusual losses, such as the effects of the terrorist attacks of September 11, 2001 and COVID-19 pandemic of 2020, may distort historical experience; and (5) losses may not fully emerge for several years following the year in which the insured event occurred. Should any of these or similar events occur, the Pool's operating results and financial condition may be affected.

#### *Investments*

The Pool accounts for its investments in accordance with GASB guidance for accounting and financial reporting for certain investments and for external investment pools. The standard establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the consolidated statements of revenues, expenses, and changes in net position.

# Virginia Risk Sharing Association and Subsidiaries

## Notes to Consolidated Financial Statements, Continued

### Note B – Summary of Significant Accounting Policies, Continued

#### *Investments, Continued*

Investments are stated at fair value based on quoted market prices or a recognized pricing service. Interest income is reported at the stated interest rate and any premium or discounts on debt securities are not amortized.

In accordance with GASB guidance, certain disclosures regarding deposit and investment risks have been provided in Note D.

#### *Fair Value Measurements*

GASB has issued guidance for measurement and disclosure of fair value and establishes a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements) when market prices are not readily available or reliable. The three levels of the hierarchy are described below:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3: Prices determined using significant unobservable inputs, in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. These reflect the Pool's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

From time to time, changes in market conditions may result in reclassification of an investment's assigned level within the hierarchy.

#### *Cash and Cash Equivalents*

The Pool defines cash and cash equivalents as investments in the Local Government Investment Pool ("LGIP") and all cash and highly liquid investments with original maturities of three months or less.

As of June 30, 2023 and 2022, \$252,621 and \$242,965, respectively, of cash and cash equivalents was invested in the LGIP. The fair value of the Pool's position in the LGIP pool is the same as the value of the Pool's shares. The Department of Treasury of the Commonwealth of Virginia manages the LGIP, a fund similar to a money market fund, which invests in bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and U.S. Treasury notes. All LGIP investments may be converted into cash within 90 days. As of June 30, 2023 and 2022, the Pool's investment in the LGIP was rated AAAM by Standards & Poor.

# Virginia Risk Sharing Association and Subsidiaries

## Notes to Consolidated Financial Statements, Continued

### Note B – Summary of Significant Accounting Policies, Continued

#### *Cash and Cash Equivalents, Continued*

The Pool maintains its cash balances at several financial institutions. The Federal Depository Insurance Corporation ("FDIC") secures accounts up to \$250,000 at these institutions. The bank balances exceeding those covered by FDIC are protected under the provisions of the Virginia Security for Public Deposits Act ("the Deposits Act"). Under the Deposits Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool ("the Collateral Pool") in the name of the State Treasury Board.

The State Treasury is responsible for monitoring compliance with the collateralization and reporting requirements of the Deposits Act and for notifying local governments of compliance by banks. If any member financial institution fails, the entire collateral becomes available to satisfy claims of the Collateral Pool. If the value of the Collateral Pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members (banks) of the Collateral Pool. Therefore, these deposits are considered collateralized and as a result, are considered insured.

#### *Capital Assets*

The building, furniture, equipment and software are stated at cost as of the date of utilization less accumulated depreciation and amortization. The Pool capitalizes property and equipment greater than \$1,000. Depreciation and amortization is recorded using the straight-line method over the estimated useful lives of the assets. The Pool estimates the useful life of the building to be 40 years, and 3-7 years for furniture, equipment and software.

#### *Classification of Revenues and Expenses*

The Pool has classified its revenues and expenses as either operating or non-operating. Operating revenues and expenses relate to insurance premiums and include billing for insurance premiums and payment of claims and excess insurance premiums and program administrative fees. All other revenues and expenses are classified as non-operating and include investment income, the change in fair value of investments, safety grants and other miscellaneous expenses.

#### *Compensated Absences*

Employees can carry over a maximum of 60 days and directors can carry over a maximum of 90 days of accumulated leave at year end. Compensated absences balances decreased \$19,495 during 2023 and decreased \$81,942 during 2022.

#### *Liability for Unpaid Losses*

The reserve for losses and loss adjustment expenses ("LAE") is based on the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors. The length of time for which such costs must be estimated varies depending on the coverage involved. In estimating the reserve for losses and LAE, management uses the findings of a consulting actuary. Such reserves are presented net of reinsurance recoverable on unpaid losses and LAE. Reinsurance recoverables are not collected until after such losses are paid by the Pool. Estimated amounts of salvage and subrogation are deducted from the liability for unpaid losses. Management believes the reserve for losses and LAE represents its best estimate of the ultimate cost of settling claims. However, because of future events beyond the control of management, such as changes in approved benefit rates, changes in law, judicial interpretations of law or inflation, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability. Accordingly, the ultimate liability could be significantly in excess of or less than the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

# Virginia Risk Sharing Association and Subsidiaries

## Notes to Consolidated Financial Statements, Continued

### Note B – Summary of Significant Accounting Policies, Continued

#### *Reinsurance*

The Pool maintains reinsurance agreements to reduce its exposure to large losses on insured events. Reinsurance provides for recovery of losses in excess of the specified retention limit up to the reinsurance policy limits, although it does not discharge the primary liability of the Pool with respect to the covered risks.

The Pool evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize exposure to losses from reinsurer insolvencies. In preparing consolidated financial statements, management makes estimates of amounts recoverable from reinsurers, which include consideration of amounts, if any, estimated to be uncollectible by management. Management evaluated the creditworthiness of its reinsurers and determined that no valuation allowance was required as of June 30, 2023 and 2022. In the event that any or all of the reinsuring companies are unable to meet their obligations under existing agreements, the Pool would be liable for such defaulted amounts.

Amounts recoverable from reinsurers for unpaid losses and LAE are estimated in a manner consistent with the reserve for losses and LAE associated with the reinsured policies. Reinsurance recoverables on paid losses and LAE are presented as an asset in the accompanying consolidated statements of net position. Reinsurance recoverable from unpaid losses was \$17,431,902 and \$22,425,565 as of June 30, 2023 and 2022, respectively, and is netted against the liability for unpaid losses on the consolidated statements of net position. The decrease of 22.3% in 2023 is due to the receipt of reinsurance on several claims that were open as of June 30, 2022 which were settled by VRSA during the year. As of June 30, 2023 and 2022, the total reinsurance recoverable on paid losses was \$3,033,275 and \$5,607,611, respectively.

#### *Reinsurance Retention Limits*

For workers compensation, the Pool maintained aggregate reinsurance, which limited its aggregate losses for fund years ended June 30, 1981 to 1987 to a specified annual retention level. For all fund years, the Pool has maintained excess of loss coverage per occurrence up to the statutory limit applicable for that fund year. The Pool is fully responsible for the base retention level and the quota share of any amounts above that retention level up to the upper limit. The Pool is reinsured for losses greater than \$750,000 in 2023, 2022 and 2021.

For liability lines, the Pool maintains an occurrence basis reinsurance agreement related to each particular line of coverage to reduce its exposure to large losses. The property reinsurance includes catastrophe coverage to limit the Pool to damages resulting from a single event.

The Pool's reinsurance provides for recovery of all or a portion of the losses in excess of the retention limits up to the reinsurance policy limits, although it does not discharge the primary liability of the Pool with respect to covered risks. For the year ended June 30, 2023, the Pool's retention limits per loss occurrence ranged from \$100,000 to \$1,000,000, depending on the line of coverage. Each year the Pool reviews its reinsurance needs and makes decisions based on the affordability and availability of coverage as well as the Pool's ability to absorb potentially higher claim costs resulting from higher retention levels.

# Virginia Risk Sharing Association and Subsidiaries

## Notes to Consolidated Financial Statements, Continued

### Note B – Summary of Significant Accounting Policies, Continued

#### *Reinsurance Retention Limits, Continued*

Effective July 1, 2018, the Pool purchased reinsurance from VIRSA RE a wholly owned subsidiary of the Pool. VIRSA RE provides workers compensation and liability reinsurance on a per occurrence basis up to a specified aggregate retention based on the line of coverage being reinsured. For workers compensation, VIRSA RE provides per occurrence coverage up to \$1,000,000 for claims in excess of \$750,000 up to an aggregate limit of \$2,000,000. For liability, VIRSA RE provides up to \$1,000,000 of per occurrence coverage for claims in excess of \$1,000,000 up to an aggregate limit of \$1,000,000.

#### *Members' Contributions, Contributions Receivable and Contributions Collected in Advance*

Contributions are assessed on an individual member basis in advance of each fund year and are considered to be earned in the fund year to which they apply. Members' contributions for workers compensation are calculated based on rate tables established by the National Council on Workers' Compensation Insurance and loss cost ratings approved by the Commission. Members' contributions for liability lines are calculated based on rates provided by actuaries and reinsurers. All contributions are adjusted, where applicable, for individual member experience. Contributions received prior to the fund year to which they apply are classified as contributions collected in advance on the consolidated statements of net position. Premiums ceded to other companies pursuant to reinsurance agreements have been reported as reinsurance expense.

Accounts and contributions receivable consist primarily of billed premiums not yet collected. Management anticipates no uncollectible accounts, and therefore, has not established an allowance for doubtful accounts.

When the anticipated future losses and loss adjustment expenses exceed the related unearned premium reserve, a premium deficiency reserve is recognized by recording an additional liability for the deficiency. The Pool anticipates investment income as a factor in the premium deficiency reserve calculation. No premium deficiency reserve has been recorded as of June 30, 2023 and 2022.

#### *Income Taxes*

The Pool has received a ruling from the Internal Revenue Service that the income of the Pool is excludable from gross income under Section 115 of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements do not include a provision for federal and state income taxes. Management has concluded that the Pool has properly maintained its exempt status, and there are no uncertain tax positions as of June 30, 2023 and 2022. The Pool is not currently under audit by any tax jurisdiction.

#### *Subsequent Events*

The Pool has evaluated subsequent events for disclosure and recognition through December 22, 2023, the date on which these consolidated financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying consolidated financial statements.

## Virginia Risk Sharing Association and Subsidiaries

### Notes to Consolidated Financial Statements, Continued

#### Note C – Affiliated Organizations and Related-Party Transactions

VRSA serves as administrator for the Virginia Local Government Insurance Association – Joint Powers Agreement (VLGIA). The VLGIA is an association of local governments formed for the purpose of cooperatively procuring group life insurance, accident and health insurance and other employee benefits. VLGIA’s governance board is composed of all members of the Members’ Supervisory Board of Virginia Risk Sharing Association. VRSA receives a fee for its services rendered as administrator.

The Pool owns and operates VIRSA RE as a captive reinsurer. VIRSA RE is governed by a Board of Directors appointed by the Pool’s Board. VIRSA RE is domiciled in North Carolina and utilizes a captive manager for services related to its formation, administration and operation. Claims are administered by Pool staff and VIRSA RE pays the Pool a fee for claims and loss control services. VIRSA RE maintains its own general ledger and bank accounts.

#### Note D – Deposits and Investments

The Pool’s investment policy contains certain provisions and limitations intended to mitigate the Pool’s exposure to various investment risks, such as credit risk (including custodial risk and concentration risk) and interest rate risk. The investment policy provides for limitations on the duration of the Pool’s portfolio, and mandates that all investments comply with relevant state and federal statutes and regulations. The policy also limits investment in certain types of securities.

To minimize credit risk the Pool limits how much of the portfolio can be invested in one issuer. In some cases the Pool further limits how much of the portfolio can be invested in specific issues of any issuer.

Investments at fair value consist of the following at June 30:

	Fair Value	
	2023	2022
Mutual Funds:		
Large Cap Value	\$ 22,785,033	\$ 24,065,794
Bond Funds	14,705,063	13,389,011
Subtotal	37,490,096	37,454,805
Debt Securities:		
US Treasuries	72,492,867	70,984,432
Corporates	105,159,095	101,822,341
Municipals	13,517,006	14,584,965
US Agency MBS	54,790,221	49,906,647
Asset Backed	24,249,030	29,139,509
CMO	572,786	941,271
CMBS	7,541,394	7,842,513
Subtotal	278,322,399	275,221,678
	\$ 315,812,494	\$ 312,676,482

## Virginia Risk Sharing Association and Subsidiaries

### Notes to Consolidated Financial Statements, Continued

#### Note D – Deposits and Investments, Continued

Restricted deposits in the amount of \$160,000 (see Note I) for the years ended June 30, 2023 and 2022, respectively, are included in the fair value of investments noted above.

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. To minimize this risk the Pool maintains a target duration identical to its custom benchmark with a duration range of plus or minus one year of that target.

As of June 30, 2023 and 2022, investments are measured at fair value according to the GASB guidance definitions noted in Note B. The Pool's fixed income investment portfolio is valued based on quoted prices for similar instruments in active markets and is classified as Level 2. Mutual funds are valued at the daily closing price as reported by the fund for the shares held at year end and are classified as Level 1 since the funds are quoted on active markets. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

The fair values of debt securities at June 30, 2023 and 2022, by weighted average life are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations prior to maturity with or without call or prepayment penalties.

	2023				
	Due in one year or less	Due after one year through five years	Due after five		Total
			years through ten years	Due after ten years	
US Treasuries	\$ 10,404,595	\$ 1,250,228	\$ 57,203,167	\$ 3,634,877	\$ 72,492,867
Corporates	2,159,935	50,713,552	51,432,366	853,242	105,159,095
Municipals	-	10,920,531	2,596,475	-	13,517,006
US Agency MBS	-	43,730	1,220,413	53,526,078	54,790,221
Asset Backed	-	8,820,182	1,406,848	14,022,000	24,249,030
CMO	-	-	-	572,786	572,786
CMBS	-	-	1,227,339	6,314,055	7,541,394
	<u>\$ 12,564,530</u>	<u>\$ 71,748,223</u>	<u>\$ 115,086,608</u>	<u>\$ 78,923,038</u>	<u>\$ 278,322,399</u>

	2022				
	Due in one year or less	Due after one year through five years	Due after five		Total
			years through ten years	Due after ten years	
US Treasuries	\$ 39,432	\$ 19,496,971	\$ 51,271,497	\$ 176,532	\$ 70,984,432
Corporates	2,182,644	40,014,848	59,324,928	299,921	101,822,341
Municipals	726,984	6,753,324	7,104,657	-	14,584,965
US Agency MBS	-	41,893	1,645,163	48,219,591	49,906,647
Asset Backed	438,023	17,679,486	-	11,022,000	29,139,509
CMO	-	-	-	941,271	941,271
CMBS	1,288,346	-	-	6,554,167	7,842,513
	<u>\$ 4,675,429</u>	<u>\$ 83,986,522</u>	<u>\$ 119,346,245</u>	<u>\$ 67,213,482</u>	<u>\$ 275,221,678</u>



## Virginia Risk Sharing Association and Subsidiaries

### Notes to Consolidated Financial Statements, Continued

#### Note D – Deposits and Investments, Continued

Included in investments due after one year is an amount restricted for a specific purpose that is equal to the Pool's restricted by regulation net position shown on the consolidated statements of net position. The weighted average life for securities with call options is based on the market price. If the market price is below par, the weighted average life is the maturity date. If the market price is above par, the weighted average life is the call date. For mortgage and asset backed securities with prepayment options, the Pool utilizes projected prepayment speeds based on third party and proprietary models for forecast weighted average life.

#### *Credit Risk*

Credit risk is the risk that an issuer or other counterparts to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pool will not be able to recover the value of its investments that are in the possession of an outside party.

The following schedule details the credit risk for investments held by the Pool as of June 30:

	Rating	As of June 30, 2023		As of June 30, 2022	
		Amount	Percentage of Portfolio	Amount	Percentage of Portfolio
U.S. Treasuries	AAA	\$ 72,492,867	26.05%	\$ 70,984,432	25.79%
Corporates	AA	12,639,052	4.53%	12,808,229	4.66%
Corporates	A	68,479,973	24.60%	67,045,372	24.36%
Corporates	BBB	24,040,070	8.64%	21,968,740	7.98%
Municipals	AAA	184,594	0.07%	187,535	0.07%
Municipals	AA	11,117,618	3.99%	13,513,654	4.91%
Municipals	A	2,214,794	0.80%	883,776	0.32%
U.S. Agency MBS	AA	54,790,221	19.69%	49,906,647	18.13%
Asset Backed	AAA	24,249,030	8.71%	29,139,509	10.59%
CMO	AA	572,786	0.21%	941,271	0.34%
CMBS	AAA	7,541,394	2.71%	7,842,513	2.85%
		<u>\$ 278,322,399</u>	<u>100.00%</u>	<u>\$ 275,221,678</u>	<u>100.00%</u>

There are no investments in any one issuer that represent 5% or more of total investments excluding investments issued or explicitly guaranteed by the U. S. government.

#### *Concentration of Credit Risk*

Concentration risk is the risk of loss attributable to the magnitude of an investment in a single issuer.

#### *Custodial Credit Risk – Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the Pool's deposits may not be returned. The Pool's deposits are either fully insured by the Federal Deposit Insurance Corporation or protected under the provisions of the Virginia Security for Public Deposits Act, see Note B.

## Virginia Risk Sharing Association and Subsidiaries

### Notes to Consolidated Financial Statements, Continued

#### Note D – Deposits and Investments, Continued

##### *Custodial Credit Risk - Investments*

For an investment this is the risk that, in the event of the failure by the counterparty, the Pool will not be able to recover the value of its investments that are in the possession of an outside party. The Pool's investment custodian maintains adequate insurance coverage to mitigate custodial credit risk. The investment in mutual funds is not maintained by the Pool's custodian.

The effective duration is used to assess interest rate risk by estimating the sensitivity of fixed income securities to interest rate changes. The effective duration estimates the percentage change in the fair value of an investment (or an investment portfolio) for a one percent change in interest rates. It makes assumptions regarding the most likely timing and amounts of variable cash flows for investments that are highly sensitive to interest rate changes, such as mortgage-backed securities ("MBS"), callable bonds, and variable-rate debt.

The following were the effective durations of investments held by the Pool as of June 30:

	2023		2022	
	Fair Value	Effective Duration	Fair Value	Effective Duration
U.S. Treasuries	\$ 72,492,867	6.12	\$ 70,984,432	6.01
Corporates	105,159,095	4.57	101,822,341	4.99
Municipals	13,517,006	3.63	14,584,965	4.14
U.S. Agency MBS	54,790,221	6.13	49,906,647	5.73
Asset Backed	24,249,030	0.21	29,139,509	0.51
CMO	572,786	4.95	941,271	2.24
CMBS	7,541,394	3.31	7,842,513	4.27
Total Investments	\$ 278,322,399		\$ 275,221,678	

The effective duration of the custom benchmark at June 30, 2023 and 2022 was 4.92 and 5.06, respectively.

#### Note E – Net Position

In accordance with regulations of the Commission, at June 30, 2023 and 2022, all net position is to be used for claims, operating expenses, claims costs, establishment of a contingency reserve (restricted by regulation net position), and declaration of dividends. The establishment of a contingency reserve is required by the Commission's regulations. Dividends may be declared and paid at the discretion of the Board subject to approval by the Commission. Net position classified as restricted satisfies the Commission's requirement that 1% or more of the Pool's contributions each year be allocated as a contingency reserve. The Board designated \$672,013 and \$628,060 as additional contingency reserve in 2023 and 2022, respectively. The contingency reserve can be used at the discretion of the Board, including, but not limited to, payment of losses and defense costs, subject to prior approval of the Commission.

## Virginia Risk Sharing Association and Subsidiaries

### Notes to Consolidated Financial Statements, Continued

#### Note F – Liability for Unpaid Losses, Net

As discussed in Note B, the Pool establishes an estimated liability for unpaid losses for both reported and unreported insured events occurring as of the consolidated statements of financial position date, which include estimates of both future payments of losses and related claim adjustment expenses. This liability for unpaid losses is estimated by an independent actuary based on claims information as of June 30. The Pool does not discount its loss reserves.

The following represents changes in the liability for unpaid losses, net of the effects of reinsurance, during the years ended June 30:

	2023	2022
Liability for unpaid losses, net at beginning of year	\$ 239,498,025	\$ 222,152,189
Provisions for losses:		
Provision for insured events of the current year	64,883,737	62,870,298
Reduction in provision for insured events of prior years	(41,300,119)	(15,072,783)
Total provision for losses	23,583,618	47,797,515
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	16,671,365	11,790,663
Claims and claims adjustment expenses attributable to insured events of the prior years	25,117,747	18,661,016
Total payments	41,789,112	30,451,679
Liability for unpaid losses, net, at end of year	\$ 221,292,531	\$ 239,498,025

As a result of changes in estimates related to insured events in prior years, the applicable provisions for claims and claims adjustment expenses were adjusted as indicated in the table above. No individual significant event was responsible for a large portion of the adjustments. In general, during the year ended June 30, 2023, fund years 2007-2008 through 2021-2022 experienced favorable development of \$38,466,542 with funds years 2018-2019 through 2021-2022 accounting for more than half that total. Generally, more recent years tend to have a greater development, both favorable and unfavorable, than older years. Such changes result from re-estimation of claims and claims adjustment expenses as the result of claim settlements during the current year and as additional information is received regarding specific claims and loss development trends.

As of June 30, 2023 and 2022, the Pool had purchased a total of \$2,731,297 in annuity contracts from third parties in the name of claimants. No new purchases were made in 2023 or 2022. Purchase of annuity contracts removes the associated liabilities from the liability for unpaid losses.

Virginia Risk Sharing Association and Subsidiaries  
Notes to Consolidated Financial Statements, Continued

**Note G – Capital Assets**

Capital asset activity for the years ended June 30, 2023 and 2022 was as follows:

Capital assets as of June 30, 2023

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building and improvements	\$ 4,808,593	\$ 375,091	\$ -	\$ 5,183,684
Furniture and equipment	2,308,958	1,414	-	2,310,372
Total capital assets, being depreciated	<u>7,117,551</u>	<u>376,505</u>	<u>-</u>	<u>7,494,056</u>
Less accumulated depreciation for:				
Building and improvements	(1,571,959)	(176,536)	-	(1,748,495)
Furniture and equipment	(1,601,041)	(227,200)	-	(1,828,241)
Total accumulated depreciation	<u>(3,173,000)</u>	<u>(403,736)</u>	<u>-</u>	<u>(3,576,736)</u>
Total capital assets, being depreciated, net	<u>\$ 3,944,551</u>	<u>\$ (27,231)</u>	<u>\$ -</u>	<u>\$ 3,917,320</u>

Capital assets as of June 30, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building and improvements	\$ 4,808,593	\$ -	\$ -	\$ 4,808,593
Furniture and equipment	2,308,958	-	-	2,308,958
Total capital assets, being depreciated	<u>7,117,551</u>	<u>-</u>	<u>-</u>	<u>7,117,551</u>
Less accumulated depreciation for:				
Building and improvements	(1,439,810)	(132,149)	-	(1,571,959)
Furniture and equipment	(1,192,728)	(408,313)	-	(1,601,041)
Total accumulated depreciation	<u>(2,632,538)</u>	<u>(540,462)</u>	<u>-</u>	<u>(3,173,000)</u>
Total capital assets, being depreciated, net	<u>\$ 4,485,013</u>	<u>\$ (540,462)</u>	<u>\$ -</u>	<u>\$ 3,944,551</u>

**Note H - Contributions Receivable**

All estimated contributions must be collected in accordance with the membership agreement and regulations of the Commission. Contributions receivable arise from contribution adjustments as a result of payroll audits conducted after the fiscal year. As of June 30, 2023 and 2022, no allowance for doubtful collection was recorded by the Pool based on management's analysis of contributions receivable.

Virginia Risk Sharing Association and Subsidiaries  
Notes to Consolidated Financial Statements, Continued

**Note I – Restricted Deposit**

In accordance with the Commission’s regulations, the Pool maintained on deposit with the Commonwealth of Virginia, a U.S. Treasury note in the amount of \$160,000 as of June 30, 2023 and 2021.

**Note J – Commitments and Contingencies**

The Pool is involved in various claims and legal actions arising in the ordinary course of business, which are considered in the estimate of the liability for losses and LAE.

## **Required Supplementary Information**

# Virginia Risk Sharing Association and Subsidiaries

## Required Supplementary Information Liability for Unpaid Losses, Net, by Type of Contract Years Ended June 30, 2023 and 2022

2023	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity & crime	Excess	Cyber	LODA	Workers Compensation	Total Pool
Liability for unpaid losses, net at beginning of year	\$ 10,178,386	\$ 17,166,768	\$ 4,233,953	\$ 22,728,478	\$ 6,776,978	\$ 130,342	\$ 213,113	\$ (553,578)	\$ 805,513	\$ 28,123,561	\$ 149,694,511	\$ 239,498,025
Provisions for losses:												
Provision for insured events of the current year	4,757,176	4,047,696	1,821,504	13,092,107	8,491,801	879,130	204,464	-	1,505,693	2,220,892	27,863,274	64,883,737
Increase (reduction) in provision for insured events of prior years	(5,928)	(3,579,284)	(1,498,543)	(1,831,104)	(1,738,281)	36,622	(125,981)	-	(325,458)	888,521	(33,120,683)	(41,300,119)
Total provision for losses	4,751,248	468,412	322,961	11,261,003	6,753,520	915,752	78,483	-	1,180,235	3,109,413	(5,257,409)	23,583,618
Payments:												
Claims and claims adjustment expenses attributable to insured events of the current year	1,578,940	164,792	125,591	4,701,641	5,040,091	264,503	17,587	-	244,696	175,382	4,358,142	16,671,365
Claims and claims adjustment expenses attributable to insured events of the prior years	1,888,785	4,023,791	1,161,738	5,363,970	1,919,860	205,620	(9,865)	778,664	267,987	1,208,608	8,308,589	25,117,747
Total payments	3,467,725	4,188,583	1,287,329	10,065,611	6,959,951	470,123	7,722	778,664	512,683	1,383,990	12,666,731	41,789,112
Liability for unpaid losses, net at end of year	\$ 11,461,909	\$ 13,446,597	\$ 3,269,585	\$ 23,923,870	\$ 6,570,547	\$ 575,971	\$ 283,874	\$ (1,332,242)	\$ 1,473,065	\$ 29,848,984	\$ 131,770,371	\$ 221,292,531

# Virginia Risk Sharing Association and Subsidiaries

## Required Supplementary Information Liability for Unpaid Losses, Net, by Type of Contract, Continued Years Ended June 30, 2023 and 2022

2022	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity & crime	Excess	Cyber	LODA	Workers Compensation	Total Pool
Liability for unpaid losses, net at beginning of year	\$ 10,790,764	\$ 16,027,807	\$ 5,826,076	\$ 16,347,820	\$ 3,579,903	\$ 90,723	\$ 229,713	\$ 55,675	\$ 109,042	\$ 21,895,440	\$ 147,199,226	\$ 222,152,189
Provisions for losses:												
Provision for insured events of the current year	3,739,807	4,087,457	1,783,649	11,044,278	8,332,215	263,952	152,884	-	954,281	5,624,164	26,887,611	62,870,298
Increase (reduction) in provision for insured events of prior years	(1,970,377)	668,059	421,465	(542,113)	(328,553)	(25,977)	(161,544)	-	(53,029)	1,698,874	(14,779,588)	(15,072,783)
Total provision for losses	1,769,430	4,755,516	2,205,114	10,502,165	8,003,662	237,975	(8,660)	-	901,252	7,323,038	12,108,023	47,797,515
Payments:												
Claims and claims adjustment expenses attributable to insured events of the current year	808,967	56,524	5,765.00	3,778,686	3,441,222	98,356	-	-	204,781	190,659	3,205,703	11,790,663
Claims and claims adjustment expenses attributable to insured events of the prior years	1,572,841	3,560,031	3,791,472	342,821	1,365,365	100,000	7,940	609,253	-	904,258	6,407,035	18,661,016
Total payments	2,381,808	3,616,555	3,797,237	4,121,507	4,806,587	198,356	7,940	609,253.00	204,781	1,094,917	9,612,738	30,451,679
Liability for unpaid losses, net at end of year	\$ 10,178,386	\$ 17,166,768	\$ 4,233,953	\$ 22,728,478	\$ 6,776,978	\$ 130,342	\$ 213,113	\$ (553,578)	\$ 805,513	\$ 28,123,561	\$ 149,694,511	\$ 239,498,025



# Virginia Risk Sharing Association and Subsidiaries

## Required Supplementary Information Ten-Year Claims Development Information

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to the related provision for losses (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the last ten years. The columns of the table show data for successive fund years. The numbered lines in the first column of the table describe the following:

1. This section shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, net earned contribution revenue, and reported investment revenue. Investment revenues include net change in fair value of investments recognized in accordance with Government Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
2. This line shows each fiscal year's other operating costs including overhead and claims expense not allocable to individual claims.
3. This section shows gross incurred claims and allocated claim adjustment expenses, losses ceded to reinsurers, and net incurred losses and loss adjustment expenses (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage under the contract occurred (called fund year).
4. This section shows the cumulative net amounts paid as of the end of successive years for each fund year.
5. This line shows the latest re-estimated amount of losses ceded to reinsurers for each fund year.
6. This section shows how each policy year's net incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, including estimated excess liability insurance receivable, and revaluation of existing information on known claims, as well as emergence of new claims not previously known.
7. This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally estimated. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

Virginia Risk Sharing Association and Subsidiaries  
Required Supplementary Information  
Ten-Year Claims Development Information  
Fiscal and Policy Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1. Contribution and investment revenue:										
Earned	\$ 72,452,216	\$ 35,538,188	\$ 68,111,049	\$ 79,809,185	\$ 78,673,166	\$ 56,097,872	\$ 56,582,646	\$ 65,402,240	\$ 59,354,649	\$ 65,320,015
Ceded	14,595,859	12,354,288	10,030,250	10,195,156	9,747,562	9,533,805	10,011,251	10,356,696	10,562,088	10,635,462
Net earned	57,856,357	23,183,900	58,080,799	69,614,029	68,925,604	46,564,067	46,571,395	55,045,544	48,792,561	54,684,553
2. Unallocated expenses	\$ 15,702,391	\$ 15,034,758	\$ 13,643,129	\$ 13,027,183	\$ 12,352,291	\$ 12,282,399	\$ 22,697,264	\$ 21,245,023	\$ 12,015,708	\$ 11,370,216
3. Estimated provisions for losses, end of policy year:										
Incurred	\$ 63,809,428	\$ 58,096,971	\$ 55,685,133	\$ 59,292,481	\$ 71,686,309	\$ 65,415,776	\$ 54,705,678	\$ 45,019,287	\$ 44,885,495	\$ 43,950,772
Ceded	771,808	667,543	1,021,840	9,774,716	3,131,342	2,564,733	967,328	266,239	2,120,574	2,750,772
Net incurred	\$ 63,037,620	\$ 57,429,428	54,663,293	49,517,765	68,554,967	62,851,043	53,738,350	44,753,048	42,764,921	41,376,329
4. Paid (cumulative) at end of:										
Policy year	\$ 16,765,874	\$ 11,769,965	\$ 11,646,215	\$ 12,247,158	\$ 14,653,614	\$ 13,551,566	\$ 11,770,759	\$ 9,983,946	\$ 10,961,357	\$ 10,058,912
One year later		21,804,481	21,607,807	20,691,604	23,123,301	22,280,385	20,272,518	16,945,629	19,281,435	18,147,983
Two years later			24,518,292	24,065,006	26,169,679	25,981,423	24,313,831	20,725,450	23,889,817	21,564,219
Three years later				27,698,710	27,633,908	29,629,322	26,053,924	23,205,857	24,717,188	23,217,996
Four years later					28,601,700	31,174,326	27,410,255	24,329,532	25,753,567	25,121,314
Five years later						33,749,556	28,365,943	24,424,814	28,348,469	25,614,934
Six years later							30,723,236	24,774,445	26,628,043	26,808,711
Seven years later								24,927,799	27,624,279	27,246,481
Eight years later									27,712,471	27,313,397
Nine years later										27,451,396
5. Reestimated ceded losses and expenses	\$ 771,808	\$ 5,004,491	\$ 3,432,438	\$ 13,068,655	\$ 4,904,054	\$ 7,012,135	\$ 978,517	\$ 1,050,297	\$ 1,128,318	\$ 8,006,025
6. Reestimated provision for losses at end of:										
Policy year	\$ 63,037,620	\$ 61,116,076	\$ 54,663,293	\$ 49,517,765	\$ 68,554,967	\$ 62,851,043	\$ 53,738,350	\$ 44,753,048	\$ 42,764,921	\$ 41,376,329
One year later		53,514,763	51,894,918	47,875,691	50,560,946	48,685,182	48,519,272	41,199,067	41,320,788	39,619,876
Two years later			46,473,491	46,990,203	47,635,005	46,706,989	44,927,773	38,318,801	40,296,443	37,563,095
Three years later				41,775,174	44,265,369	46,316,934	41,952,147	36,030,304	38,875,204	35,983,021
Four years later					38,979,718	45,399,649	33,565,829	34,609,790	36,399,974	34,548,027
Five years later						44,188,398	42,576,331	34,872,308	35,834,615	33,468,317
Six years later							39,833,183	32,606,066	33,160,583	34,075,732
Seven years later								29,406,416	34,024,332	31,538,602
Eight years later									31,316,912	32,305,751
Nine years later										31,125,680
7. Increase (decrease) in provision for losses from end of policy year		(\$7,601,313)	(\$8,189,802)	(\$7,742,591)	(\$29,575,249)	(\$18,662,645)	(\$13,905,167)	(\$15,346,632)	(\$11,448,009)	(\$10,250,649)

## **Other Supplementary Information**

Virginia Risk Sharing Association and Subsidiaries  
Other Supplementary Information  
Consolidated Schedule of Revenue and Expenses by Line of Coverage  
Year Ended June 30, 2023

Year Ended June 30, 2023

	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity and crime	Excess liability	Cyber	LODA	Workers compensation	Total
<b>Revenue:</b>												
Member contributions	\$ 3,571,403	2,422,884	1,271,773	\$ 9,840,381	\$ 17,374,653	\$ 1,122,730	\$ 274,884	\$ 3,223,894	\$ 1,061,390	\$ 4,180,556	\$ 23,768,895	\$ 68,113,443
Miscellaneous income, net	9,475	6,542	3,434	26,568	19,376	1,463	742	2,118	2,037	11,287	61,450	144,492
Investment income	592,971	409,404	214,896	1,662,768	1,212,644	91,572	46,448	132,580	127,502	706,405	3,845,886	9,043,076
Unrealized loss on investments	(317,944)	(219,518)	(115,225)	(891,557)	(650,206)	(49,100)	(24,905)	(71,088)	(68,365)	(378,766)	(2,062,119)	(4,848,793)
<b>Total revenue</b>	<b>3,855,905</b>	<b>2,619,312</b>	<b>1,374,878</b>	<b>10,638,160</b>	<b>17,956,467</b>	<b>1,166,665</b>	<b>297,169</b>	<b>3,287,504</b>	<b>1,122,564</b>	<b>4,519,482</b>	<b>25,614,112</b>	<b>72,452,218</b>
<b>Expenses:</b>												
Provision (recovery) for losses	4,751,247	468,412	322,961	11,261,003	6,753,520	915,752	78,482	-	1,180,235	3,109,413	(5,257,407)	23,583,618
Program administration fees	759,502	449,631	233,273	1,980,133	1,753,078	117,847	53,747	133,761	173,678	839,100	6,535,226	13,028,976
Excess premiums	62,158	-	-	-	10,198,136	580,800.53	-	2,439,278	306,825	-	1,008,661	14,595,859
Nonoperating expenses	49,287	34,029	17,862	138,208	100,794	7,611	3,861	11,020	10,598	58,716	319,667	751,653
<b>Total expenses (recovery)</b>	<b>5,622,194</b>	<b>952,072</b>	<b>574,096</b>	<b>13,379,344</b>	<b>18,805,528</b>	<b>1,622,011</b>	<b>136,090</b>	<b>2,584,059</b>	<b>1,671,336</b>	<b>4,007,229</b>	<b>2,606,147</b>	<b>51,960,106</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,766,289)</b>	<b>\$ 1,667,240</b>	<b>\$ 800,782</b>	<b>\$ (2,741,184)</b>	<b>\$ (849,061)</b>	<b>\$ (455,346)</b>	<b>\$ 161,079</b>	<b>\$ 703,445</b>	<b>\$ (548,772)</b>	<b>\$ 512,253</b>	<b>\$23,007,965</b>	<b>\$ 20,492,112</b>

See accompanying independent auditor's report.

## ***Virginia Risk Sharing Association and Subsidiaries***



### **STATISTICAL SECTION**

For the Period July 1, 2022 – June 30, 2023

- Overview of Statistical Section
- Change in Net Position
- Net Position by Classification
- Schedule of Revenues and Expenses by Line of Coverage
- Insurance Industry Ratios
- Total Incurred Losses by Line of Coverage
- Claims Development by Line of Coverage
- Reported Claims Analysis by Line of Coverage
- Total Ceded Loss Analysis
- Reinsurance History
- Composition of Membership

## OVERVIEW OF THE STATISTICAL SECTION

This statistical section component of the Pool's Annual Comprehensive Financial Report presents detailed information as context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information indicate about the Pool's economic condition and financial health.

As required by GASB Statement 44, a description of the required contents, if applicable, of this statistical section include:

**Financial Trends Data** - These schedules contain trend information to help the reader understand how the Pool's financial performance and well-being have changed over time.

**Revenue Capacity Data** - These schedules contain information to help the reader assess the Pool's most significant revenue sources, membership contributions.

**Debt Capacity Data** - These schedules present information which help the reader assess the Pool's debt burden. This section is not applicable for the Pool, as the Pool currently has no debt.

**Demographic and Economic Information Data** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Pool's financial activities take place.

**Operating Information Data** - These schedules contain service and infrastructure data to help the reader understand how the information in the Pool's financial report relates to the services the Pool provides and the activities it performs.

**Virginia Risk Sharing Association and Subsidiaries**  
**Change in Net Position**

**All Lines of Coverage Combined**

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenues	\$ 54,905,708	\$ 54,747,549	\$ 53,458,868	\$ 54,282,483	\$ 54,810,081	\$ 56,189,266	\$ 58,758,979	\$ 59,748,995	\$ 63,105,330	\$ 68,257,935
Operating expenses	<u>45,481,754</u>	<u>56,354,536</u>	<u>58,998,937</u>	<u>54,757,777</u>	<u>60,849,411</u>	<u>59,017,712</u>	<u>60,555,317</u>	<u>64,965,217</u>	<u>72,615,147</u>	<u>51,208,453</u>
Operating income (loss)	9,423,954	(1,606,987)	(5,540,069)	(475,294)	(6,039,330)	(2,828,446)	(1,796,338)	(5,216,222)	(9,509,817)	17,049,482
Total non-operating revenue and expenses	<u>9,687,825</u>	<u>3,900,735</u>	<u>11,119,535</u>	<u>1,544,328</u>	<u>591,558</u>	<u>21,783,819</u>	<u>20,340,448</u>	<u>7,542,750</u>	<u>(28,260,065)</u>	<u>3,442,630</u>
Change in net position	<u>\$ 19,111,779</u>	<u>\$ 2,293,748</u>	<u>\$ 5,579,466</u>	<u>\$ 1,069,034</u>	<u>\$ (5,447,772)</u>	<u>\$ 18,955,373</u>	<u>\$ 18,544,110</u>	<u>\$ 2,326,528</u>	<u>\$ (37,769,882)</u>	<u>\$ 20,492,112</u>

**Operating Revenue**

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contributions	\$ 54,771,439	\$ 54,526,441	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432	\$ 59,511,531	\$ 62,803,699	\$ 68,113,443
Miscellaneous income, net	134,269	221,108	163,386	138,536	91,697	205,239	249,547	237,464	301,631	144,492
	<u>\$ 54,905,708</u>	<u>\$ 54,747,549</u>	<u>\$ 53,458,868</u>	<u>\$ 54,282,483</u>	<u>\$ 54,810,081</u>	<u>\$ 56,189,266</u>	<u>\$ 58,758,979</u>	<u>\$ 59,748,995</u>	<u>\$ 63,105,330</u>	<u>\$ 68,257,935</u>

**Operating Expenses**

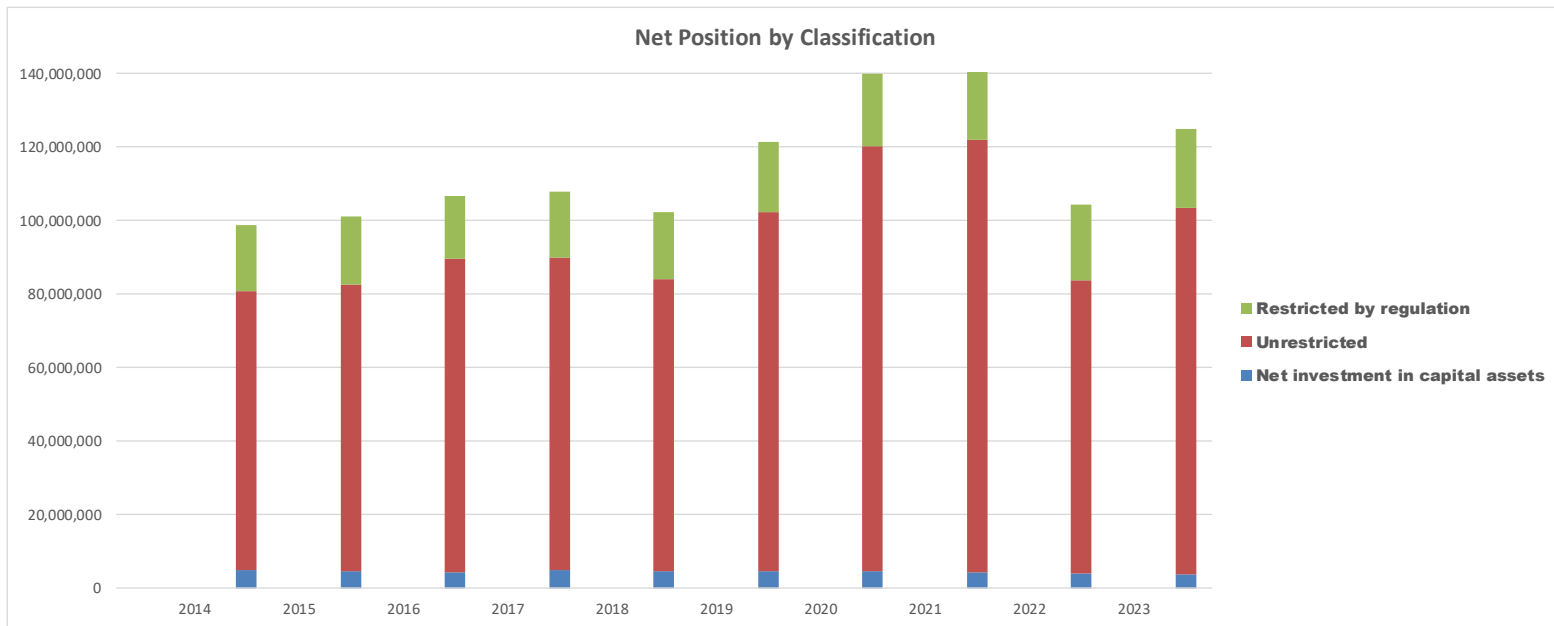
Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ceded reinsurance	\$ 10,635,462	\$ 10,562,088	\$ 10,356,696	\$ 10,011,251	\$ 9,533,805	\$ 9,747,562	\$ 10,195,156	\$ 10,030,250	\$ 12,354,288	\$ 14,595,859
Program administrative costs	9,628,206	10,321,741	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710	11,550,679	12,463,344	13,028,976
Provision for losses & LAE	25,218,086	35,470,707	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451	43,384,288	47,797,515	23,583,618
	<u>\$ 45,481,754</u>	<u>\$ 56,354,536</u>	<u>\$ 58,998,937</u>	<u>\$ 54,757,777</u>	<u>\$ 60,849,411</u>	<u>\$ 59,017,712</u>	<u>\$ 60,555,317</u>	<u>\$ 64,965,217</u>	<u>\$ 72,615,147</u>	<u>\$ 51,208,453</u>

**Non-Operating Revenue and Expenses**

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Investment income	\$ 7,195,198	\$ 7,175,278	\$ 7,838,810	\$ 7,980,980	\$ 8,305,543	\$ 8,945,197	\$ 9,256,650	\$ 8,211,741	\$ 7,645,007	\$ 9,043,076
Unrealized gains (losses)	3,194,848	(2,568,178)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556	150,313	(35,212,149)	(4,848,793)
Other expenses	702,221	706,365	823,838	755,836	696,232	700,081	709,758	819,304	692,923	751,653
	<u>\$ 9,687,825</u>	<u>\$ 3,900,735</u>	<u>\$ 11,119,535</u>	<u>\$ 1,544,328</u>	<u>\$ 591,558</u>	<u>\$ 21,783,819</u>	<u>\$ 20,340,448</u>	<u>\$ 7,542,750</u>	<u>\$ (28,260,065)</u>	<u>\$ 3,442,630</u>

## Virginia Risk Sharing Association and Subsidiaries Net Position by Classification

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net investment in capital assets	\$ 4,816,870	\$ 4,525,562	\$ 4,378,285	\$ 4,890,570	\$ 4,717,005	\$ 4,749,907	\$ 4,803,237	\$ 4,485,237	\$ 3,944,551	\$ 3,917,320
Unrestricted	76,046,499	78,086,291	85,160,694	85,176,003	79,354,613	97,717,244	115,622,967	117,674,649	79,817,169	99,664,499
Restricted by regulation	<u>18,060,842</u>	<u>18,606,106</u>	<u>17,258,446</u>	<u>17,799,886</u>	<u>18,347,069</u>	<u>18,906,909</u>	<u>19,491,966</u>	<u>20,085,036</u>	<u>20,713,096</u>	<u>21,385,109</u>
Change in net position	<u>\$ 98,924,211</u>	<u>\$ 101,217,959</u>	<u>\$ 106,797,425</u>	<u>\$ 107,866,459</u>	<u>\$ 102,418,687</u>	<u>\$ 121,374,060</u>	<u>\$ 139,918,170</u>	<u>\$ 142,244,922</u>	<u>\$ 104,474,816</u>	<u>\$ 124,966,928</u>





## Virginia Risk Sharing Association and Subsidiaries Schedule of Revenues and Expenses by Line of Coverage

### All Lines of Coverage Combined

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 53,721,867	\$ 54,771,439	\$ 54,526,441	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432	\$ 59,511,531	\$ 62,803,699	\$ 68,113,442
Ceded reinsurance	9,265,892	10,635,462	10,562,088	10,356,696	10,011,251	9,533,805	9,747,562	10,195,156	10,030,251	12,354,289	14,595,860
Net premiums	44,455,975	44,135,977	43,964,353	42,938,786	44,132,696	45,184,579	46,236,465	48,314,276	49,481,280	50,449,410	53,517,582
Miscellaneous Income, net	146,672	134,269	221,108	163,386	138,536	91,697	205,239	249,547	237,464	301,631	144,492
Program administrative costs	8,765,900	9,628,206	10,321,741	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710	11,550,679	12,463,345	13,028,974
Provision for loss & LAE	33,674,875	25,218,086	35,470,707	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451	43,384,289	47,797,516	23,583,619
Operating revenue/(loss)	2,161,872	9,423,954	(1,606,987)	(5,540,069)	(475,294)	(6,039,330)	(2,828,446)	(1,796,338)	(5,216,224)	(9,509,820)	17,049,481
Investment income	7,917,366	7,195,198	7,175,278	7,838,810	7,980,980	8,305,543	8,945,197	9,256,650	8,211,740	7,645,006	9,043,075
Unrealized gain/(loss)	(5,482,895)	3,194,848	(2,568,178)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556	150,313	(35,212,148)	(4,848,794)
Non-operating income	2,434,471	10,390,046	4,607,100	11,943,373	2,300,163	1,287,791	22,483,900	21,050,206	8,362,053	(27,567,142)	4,194,281
Other expenses	708,663	702,221	706,365	823,838	755,835	696,232	700,081	709,758	819,303	692,922	751,653
Non-operating revenue/(loss)	1,725,808	9,687,825	3,900,735	11,119,535	1,544,328	591,558	21,783,819	20,340,448	7,542,750	(28,260,064)	3,442,628
Change in net position	3,887,680	19,111,779	2,293,748	5,579,466	1,069,034	(5,447,772)	18,955,373	18,544,110	2,326,526	(37,769,884)	20,492,109
Beginning net position balance	75,924,753	79,812,433	98,924,212	101,217,960	106,797,426	107,866,460	102,418,688	121,374,061	139,918,171	142,244,697	104,474,813
Ending net position balance	\$ 79,812,433	\$ 98,924,212	\$ 101,217,960	#####	\$ 107,866,460	\$ 102,418,688	\$ 121,374,061	\$ 139,918,171	\$ 142,244,697	\$ 104,474,813	\$ 124,966,922

### Workers Compensation

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 20,299,909	\$ 20,919,822	\$ 20,351,394	\$ 20,083,515	\$ 20,054,717	\$ 20,845,868	\$ 21,035,289	\$ 22,331,107	\$ 21,534,044	\$ 22,133,406	\$ 23,768,894
Ceded reinsurance	1,012,205	1,518,664	1,610,256	1,327,043	1,021,186	846,297	1,067,384	1,022,538	1,018,829	1,080,665	1,008,662
Net premiums	19,287,704	19,401,158	18,741,138	18,756,472	19,033,531	19,999,571	19,967,905	21,308,569	20,515,215	21,052,741	22,760,232
Miscellaneous Income, net	141,186	127,906	207,168	155,436	72,500	41,924	110,569	142,821	116,993	125,872	61,450
Program administrative costs	3,882,244	4,576,250	4,828,797	4,801,354	4,963,117	4,842,347	5,080,541	5,384,356	5,486,611	5,709,185	6,524,963
Provision for loss & LAE	20,149,216	16,863,036	20,721,770	23,195,073	10,371,614	11,811,592	21,667,221	11,996,940	15,742,199	12,108,023	(5,257,406)
Operating revenue/(loss)	(4,602,570)	(1,910,223)	(6,602,260)	(9,084,519)	3,771,300	3,387,556	(6,669,288)	4,070,094	(596,602)	3,361,405	21,554,125
Investment income	3,435,034	3,162,843	3,058,680	3,424,140	3,442,034	3,676,195	3,863,117	4,082,561	3,404,633	3,190,292	3,845,885
Unrealized gain/(loss)	(2,378,813)	1,404,381	(1,094,764)	1,792,950	(2,450,020)	(3,106,193)	5,846,890	5,201,441	62,321	(14,694,171)	(2,062,120)
Non-operating income	1,056,221	4,567,225	1,963,916	5,217,091	992,014	570,001	9,710,007	9,284,002	3,466,954	(11,503,879)	1,783,765
Other expenses	297,707	295,083	301,109	359,868	325,976	308,166	302,341	313,032	339,688	289,160	319,667
Non-operating revenue/(loss)	758,514	4,272,141	1,662,807	4,857,223	666,037	261,835	9,407,666	8,970,970	3,127,266	(11,793,039)	1,464,098
Change in net position	\$ (3,844,056)	\$ 2,361,919	\$ (4,939,453)	\$ (4,227,297)	\$ 4,437,337	\$ 3,649,391	\$ 2,738,378	\$ 13,041,064	\$ 2,530,664	\$ (8,431,634)	\$ 23,018,223

**Virginia Risk Sharing Association and Subsidiaries**  
**Schedule of Revenue and Expenses by Line of Coverage, Continued**

**LODA**

Fiscal Year ending June 30,	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Written premiums	\$ 1,027,395	\$ 1,485,866	\$ 1,805,629	\$ 2,003,715	\$ 2,417,481	\$ 2,349,383	\$ 2,737,991	\$ 3,562,172	\$ 3,661,828	\$ 4,027,886	\$ 4,180,556
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-	-
Net premiums	1,027,395	1,485,866	1,805,629	2,003,715	2,417,481	2,349,383	2,737,991	3,562,172	3,661,828	4,027,886	4,180,556
Miscellaneous Income, net	-	382	998	1,083	9,529	1,904	9,868	14,078	15,230	24,082	11,287
Program administrative costs	176,986	271,697	344,564	397,405	951,094	921,546	397,587	792,492	860,675	1,030,787	840,495
Provision for loss & LAE	1,064,382	704,989	1,223,449	927,454	7,156,141	10,076,981	(3,499,944)	2,747,909	4,694,954	7,323,038	3,109,413
Operating revenue/(loss)	(213,973)	509,562	238,614	679,938	(5,680,224)	(8,647,240)	5,850,215	35,849	(1,878,571)	(4,301,857)	241,935
Investment income	182,973	242,231	294,691	365,794	437,179	431,849	529,709	682,485	607,704	610,378	706,405
Unrealized gain/(loss)	(126,712)	107,557	(105,476)	191,537	(311,181)	(364,890)	801,723	869,529	11,124	(2,811,341)	(378,766)
Non-operating income	56,261	349,788	189,215	557,331	125,997	66,959	1,331,432	1,552,014	618,828	(2,200,963)	327,639
Other expenses	16,776	24,458	29,011	38,444	41,403	36,201	41,457	52,330	60,632	55,323	58,716
Non-operating revenue/(loss)	39,485	325,330	160,204	518,887	84,595	30,758	1,289,975	1,499,684	558,196	(2,256,286)	268,923
Change in net position	\$ (174,488)	\$ 834,892	\$ 398,819	\$ 1,198,825	\$ (5,595,630)	\$ (8,616,482)	\$ 7,140,191	\$ 1,535,533	\$ (1,320,375)	\$ (6,558,143)	\$ 510,858

**Property & Liability, Overall**

Fiscal Year ending June 30,	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Written premiums	\$ 32,394,563	\$ 32,365,751	\$ 32,369,418	\$ 31,208,252	\$ 31,671,749	\$ 31,523,133	\$ 32,210,747	\$ 32,616,153	\$ 34,315,659	\$ 36,642,407	\$ 40,163,992
Ceded reinsurance	8,253,687	9,116,798	8,951,832	9,029,653	8,990,065	8,687,508	8,680,178	9,172,618	9,011,422	11,273,624	13,587,198
Net premiums	24,140,876	23,248,953	23,417,586	22,178,599	22,681,684	22,835,625	23,530,569	23,443,535	25,304,237	25,368,783	26,576,794
Miscellaneous Income, net	5,486	5,981	12,942	6,867	56,506	47,869	84,802	92,648	105,241	151,677	71,755
Program administrative costs	4,706,670	4,780,259	5,148,381	5,062,860	4,838,679	5,308,039	5,792,536	5,262,862	5,203,393	5,723,373	5,663,516
Provision for loss & LAE	12,461,277	7,650,061	13,525,488	14,258,095	16,465,882	18,355,102	19,832,209	24,175,602	22,947,136	28,366,455	25,731,612
Operating revenue/(loss)	6,978,415	10,824,614	4,756,658	2,864,512	1,433,630	(779,646)	(2,009,374)	(5,902,281)	(2,741,051)	(8,569,368)	(4,746,579)
Investment income	4,299,359	3,790,124	3,821,908	4,048,876	4,101,768	4,197,500	4,552,372	4,491,604	4,199,403	3,844,336	4,490,785
Unrealized gain/(loss)	(2,977,370)	1,682,910	(1,367,939)	2,120,075	(2,919,615)	(3,546,670)	6,890,090	5,722,586	76,868	(17,706,636)	(2,407,908)
Non-operating income	1,321,989	5,473,034	2,453,969	6,168,951	1,182,153	650,831	11,442,461	10,214,190	4,276,271	(13,862,300)	2,082,877
Other expenses	394,180	382,680	376,245	425,526	388,456	351,866	356,284	344,396	418,983	348,439	373,270
Non-operating revenue/(loss)	927,809	5,090,354	2,077,724	5,743,425	793,696	298,965	11,086,177	9,869,794	3,857,288	(14,210,739)	1,709,607
Change in net position	\$ 7,906,224	\$ 15,914,968	\$ 6,834,382	\$ 8,607,937	\$ 2,227,326	\$ (480,681)	\$ 9,076,804	\$ 3,967,513	\$ 1,116,237	\$ (22,780,107)	\$ (3,036,972)

**Virginia Risk Sharing Association and Subsidiaries**  
**Schedule of Revenue and Expenses by Line of Coverage, Continued**

**General Liability**

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 3,658,309	\$ 3,609,788	\$ 3,519,738	\$ 3,077,724	\$ 2,994,970	\$ 2,970,925	\$ 2,908,569	\$ 2,738,630	\$ 3,197,859	\$ 3,480,056	\$ 3,571,403
Ceded reinsurance	-	-	-	-	-	-	-	-	81,070	83,613	62,158
Net premiums	3,658,309	3,609,788	3,519,738	3,077,724	2,994,970	2,970,925	2,908,569	2,738,630	3,116,789	3,396,443	3,509,245
Miscellaneous Income, net	-	929	1,945	953	7,461	6,228	10,482	10,823	12,963	20,307	9,475
Program administrative costs	895,958	887,620	931,240	899,561	882,226	891,370	828,012	708,503	751,112	770,766	760,673
Provision for loss & LAE	430,925	148,253	2,224,737	2,002,958	3,521,446	2,656,110	1,512,726	2,320,825	4,164,163	1,769,430	4,751,247
Operating revenue/(loss)	2,331,426	2,574,843	365,706	176,158	(1,401,240)	(570,327)	578,313	(279,875)	(1,785,523)	876,554	(1,993,200)
Investment income	651,525	588,480	574,445	561,862	541,612	546,097	562,710	524,701	517,252	514,690	592,971
Unrealized gain/(loss)	(451,191)	261,300	(205,606)	294,203	(385,516)	(461,423)	851,671	668,502	9,468	(2,370,614)	(317,944)
Non-operating income	200,334	849,780	368,839	856,065	156,096	84,673	1,414,381	1,193,203	526,720	(1,855,924)	275,027
Other expenses	59,734	59,417	56,551	59,050	51,293	45,778	44,040	40,232	51,607	46,650	49,287
Non-operating revenue/(loss)	140,600	790,362	312,289	797,015	104,802	38,895	1,370,341	1,152,971	475,113	(1,902,574)	225,740
Change in net position	\$ 2,472,026	\$ 3,365,206	\$ 677,994	\$ 973,173	\$ (1,296,438)	\$ (531,432)	\$ 1,948,655	\$ 873,096	\$ (1,310,410)	\$ (1,026,020)	\$ (1,767,460)

**Public Officials Liability**

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 2,620,091	\$ 2,544,236	\$ 2,453,796	\$ 2,144,570	\$ 2,041,290	\$ 2,028,047	\$ 2,032,304	\$ 2,171,271	\$ 2,346,729	\$ 2,321,309	\$ 2,422,884
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-	-
Net premiums	2,620,091	2,544,236	2,453,796	2,144,570	2,041,290	2,028,047	2,032,304	2,171,271	2,346,729	2,321,309	2,422,884
Miscellaneous Income, net	5,486	655	1,356	664	5,085	4,251	7,324	8,581	9,760	13,879	6,542
Program administrative costs	427,294	428,830	457,397	421,824	359,276	395,480	418,939	421,072	415,923	474,851	450,439
Provision for loss & LAE	2,551,387	1,069,988	1,378,254	2,961,460	(555,876)	3,333,169	4,026,687	6,313,794	3,715,464	4,755,517	468,412
Operating revenue/(loss)	(353,104)	1,046,072	619,501	(1,238,050)	2,242,974	(1,696,351)	(2,405,998)	(4,555,014)	(1,774,898)	(2,895,180)	1,510,575
Investment income	466,624	414,770	400,476	391,508	369,148	372,783	393,182	415,999	389,455	351,767	409,404
Unrealized gain/(loss)	(323,144)	184,168	(143,339)	205,002	(262,757)	(314,982)	595,088	530,009	7,129	(1,620,203)	(219,518)
Non-operating income	143,480	598,938	257,137	596,510	106,391	57,801	988,270	946,008	396,584	(1,268,436)	189,886
Other expenses	42,782	41,878	39,425	41,146	34,960	31,249	30,772	31,897	38,857	31,883	34,029
Non-operating revenue/(loss)	100,698	557,060	217,713	555,363	71,431	26,551	957,498	914,111	357,727	(1,300,319)	155,857
Change in net position	\$ (252,406)	\$ 1,603,132	\$ 837,214	\$ (682,687)	\$ 2,314,405	\$ (1,669,799)	\$ (1,448,500)	\$ (3,640,903)	\$ (1,417,171)	\$ (4,195,499)	\$ 1,666,432

**Virginia Risk Sharing Association and Subsidiaries**  
**Schedule of Revenue and Expenses by Line of Coverage, Continued**

**Law Enforcement Liability**

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 1,366,735	\$ 1,334,897	\$ 1,322,877	\$ 1,152,922	\$ 1,091,175	\$ 1,044,900	\$ 1,072,880	\$ 1,103,057	\$ 1,159,702	\$ 1,255,836	\$ 1,271,773
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-	-
Net premiums	1,366,735	1,334,897	1,322,877	1,152,922	1,091,175	1,044,900	1,072,880	1,103,057	1,159,702	1,255,836	1,271,773
Miscellaneous Income, net	-	343	731	357	2,718	2,190	3,867	4,359	4,823	7,508	3,434
Program administrative costs	222,892	224,996	223,831	203,550	185,026	202,017	218,431	205,635	205,611	248,828	233,697
Provision for loss & LAE	(640,352)	(1,368,929)	611,223	(604,092)	3,769,145	805,427	230,013	1,930,682	3,244,020	2,205,114	322,961
Operating revenue/(loss)	1,784,195	2,479,173	488,554	1,553,822	(2,860,278)	39,647	628,303	(1,028,901)	(2,285,106)	(1,190,598)	718,549
Investment income	243,408	217,619	215,902	210,475	197,329	192,067	207,566	211,337	192,460	190,307	214,896
Unrealized gain/(loss)	(168,564)	96,628	(77,276)	110,209	(140,457)	(162,287)	314,155	269,257	3,523	(876,535)	(115,225)
Non-operating income	74,844	314,248	138,627	320,684	56,871	29,780	521,721	480,594	195,983	(686,228)	99,671
Other expenses	22,316	21,973	21,254	22,120	18,688	16,100	16,245	16,204	19,202	17,249	17,862
Non-operating revenue/(loss)	52,528	292,275	117,372	298,564	38,183	13,680	505,476	464,390	176,781	(703,477)	81,809
Change in net position	\$ 1,836,723	\$ 2,771,448	\$ 605,926	\$ 1,852,385	\$ (2,822,095)	\$ 53,327	\$ 1,133,779	\$ (564,511)	\$ (2,108,325)	\$ (1,894,075)	\$ 800,358

**Automobile**

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 9,341,596	\$ 9,162,033	\$ 8,953,955	\$ 8,181,996	\$ 8,092,621	\$ 8,326,381	\$ 8,867,732	\$ 7,834,492	\$ 9,088,534	\$ 9,291,759	\$ 9,840,381
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-	-
Net premiums	9,341,596	9,162,033	8,953,955	8,181,996	8,092,621	8,326,381	8,867,732	7,834,492	9,088,534	9,291,759	9,840,381
Miscellaneous Income, net	-	2,357	4,948	2,533	20,161	17,454	31,959	30,962	37,800	55,554	26,568
Program administrative costs	1,674,903	1,739,986	1,824,453	1,729,176	1,551,114	1,792,581	2,040,724	1,677,059	1,780,185	1,979,112	1,983,415
Provision for loss & LAE	6,017,276	4,543,371	5,267,814	6,175,320	4,868,939	6,524,559	8,267,343	8,017,175	7,003,073	10,502,165	11,261,003
Operating revenue/(loss)	1,649,417	2,881,033	1,866,636	280,033	1,692,729	26,696	(1,408,376)	(1,828,780)	343,076	(3,133,964)	(3,377,469)
Investment income	1,663,687	1,493,626	1,461,346	1,493,687	1,463,474	1,530,503	1,715,607	1,501,029	1,508,301	1,408,055	1,662,768
Unrealized gain/(loss)	(1,152,128)	663,207	(523,045)	782,125	(1,041,692)	(1,293,195)	2,596,600	1,912,406	27,609	(6,485,364)	(891,557)
Non-operating income	511,559	2,156,833	938,300	2,275,813	421,781	237,307	4,312,207	3,413,435	1,535,910	(5,077,309)	771,211
Other expenses	152,533	150,808	143,861	156,982	138,598	128,298	134,269	115,092	150,487	127,622	138,208
Non-operating revenue/(loss)	359,026	2,006,025	794,439	2,118,830	283,184	109,009	4,177,938	3,298,343	1,385,423	(5,204,931)	633,003
Change in net position	\$ 2,008,443	\$ 4,887,058	\$ 2,661,075	\$ 2,398,863	\$ 1,975,912	\$ 135,705	\$ 2,769,562	\$ 1,469,563	\$ 1,728,499	\$ (8,338,895)	\$ (2,744,466)

**Virginia Risk Sharing Association and Subsidiaries**  
**Schedule of Revenue and Expenses by Line of Coverage, Continued**

**Property**

Fiscal Year ending June 30,	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Written premiums	\$ 10,513,974	\$ 10,875,910	\$ 11,288,076	\$ 12,190,146	\$ 13,110,014	\$ 12,682,673	\$ 13,123,542	\$ 14,597,598	\$ 14,056,549	\$ 15,281,045	\$ 17,374,653
Ceded reinsurance	4,375,017	5,282,784	5,175,746	5,658,780	6,025,635	5,817,904	6,302,542	6,885,035	6,962,214	9,173,071	10,198,136
Net premiums	<u>6,138,957</u>	<u>5,593,126</u>	<u>6,112,330</u>	<u>6,531,366</u>	<u>7,084,379</u>	<u>6,864,769</u>	<u>6,821,000</u>	<u>7,712,563</u>	<u>7,094,335</u>	<u>6,107,974</u>	<u>7,176,517</u>
Miscellaneous Income, net	-	1,439	3,378	2,022	17,649	14,390	24,582	30,480	29,506	36,519	19,376
Program administrative costs	1,270,994	1,309,506	1,511,441	1,590,781	1,604,842	1,700,291	1,823,129	1,840,365	1,559,395	1,656,636	1,755,472
Provision for loss & LAE	3,969,644	3,043,826	3,711,916	3,489,904	4,570,346	4,366,024	5,096,418	5,033,564	5,066,413	8,003,662	6,753,520
Operating revenue/(loss)	<u>898,319</u>	<u>1,241,233</u>	<u>892,350</u>	<u>1,452,704</u>	<u>926,841</u>	<u>812,844</u>	<u>(73,965)</u>	<u>869,114</u>	<u>498,033</u>	<u>(3,515,805)</u>	<u>(1,313,099)</u>
Investment income	1,093,316	911,811	997,573	1,192,352	1,281,143	1,261,838	1,319,633	1,477,669	1,177,351	925,591	1,212,644
Unrealized gain/(loss)	(757,136)	404,867	(357,052)	624,340	(911,910)	(1,066,188)	1,997,287	1,882,643	21,551	(4,263,180)	(650,206)
Non-operating income	336,180	1,316,677	640,522	1,816,692	369,233	195,650	3,316,920	3,360,312	1,198,902	(3,337,589)	562,438
Other expenses	100,238	92,063	98,205	125,313	121,330	105,777	103,279	113,301	117,467	83,893	100,794
Non-operating revenue/(loss)	<u>235,942</u>	<u>1,224,614</u>	<u>542,316</u>	<u>1,691,379</u>	<u>247,903</u>	<u>89,874</u>	<u>3,213,641</u>	<u>3,247,011</u>	<u>1,081,435</u>	<u>(3,421,482)</u>	<u>461,644</u>
Change in net position	<u>\$ 1,134,261</u>	<u>\$ 2,465,847</u>	<u>\$ 1,434,667</u>	<u>\$ 3,144,083</u>	<u>\$ 1,174,743</u>	<u>\$ 902,718</u>	<u>\$ 3,139,677</u>	<u>\$ 4,116,125</u>	<u>\$ 1,579,468</u>	<u>\$ (6,937,287)</u>	<u>\$ (851,455)</u>

**Boiler & Machinery**

Fiscal Year ending June 30,	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Written premiums	\$ 730,566	\$ 771,354	\$ 811,366	\$ 867,745	\$ 913,712	\$ 884,471	\$ 911,528	\$ 998,235	\$ 966,857	\$ 1,040,050	\$ 1,122,730
Ceded reinsurance	185,574	257,559	260,629	356,676	385,867	350,559	381,030	424,681	-	-	580,801
Net premiums	<u>544,992</u>	<u>513,795</u>	<u>550,737</u>	<u>511,069</u>	<u>527,845</u>	<u>533,912</u>	<u>530,498</u>	<u>573,554</u>	<u>966,857</u>	<u>1,040,050</u>	<u>541,929</u>
Miscellaneous Income, net	-	132	304	158	1,315	1,119	1,912	2,267	4,021	6,218	1,463
Program administrative costs	115,581	100,720	111,118	109,127	107,794	120,348	129,043	124,458	185,520	200,699	118,028
Provision for loss & LAE	91,605	277,515	253,245	239,653	90,880	406,806	357,748	277,220	203,586	237,975	915,752
Operating revenue/(loss)	<u>337,806</u>	<u>135,692</u>	<u>186,678</u>	<u>162,447</u>	<u>330,487</u>	<u>7,877</u>	<u>45,618</u>	<u>174,143</u>	<u>581,772</u>	<u>607,594</u>	<u>(490,388)</u>
Investment income	97,060	83,761	89,884	93,300	95,456	98,140	102,633	109,889	160,456	157,607	91,572
Unrealized gain/(loss)	(67,216)	37,192	(32,171)	48,854	(67,945)	(82,923)	155,337	140,005	2,937	(725,923)	(49,100)
Non-operating income	29,844	120,952	57,713	142,153	27,511	15,217	257,971	249,894	163,393	(568,316)	42,472
Other expenses	8,899	8,457	8,849	9,806	9,040	8,227	8,032	8,426	16,009	14,285	7,611
Non-operating revenue/(loss)	<u>20,945</u>	<u>112,495</u>	<u>48,864</u>	<u>132,348</u>	<u>18,471</u>	<u>6,990</u>	<u>249,938</u>	<u>241,468</u>	<u>147,384</u>	<u>(582,601)</u>	<u>34,861</u>
Change in net position	<u>\$ 358,751</u>	<u>\$ 248,188</u>	<u>\$ 235,542</u>	<u>\$ 294,795</u>	<u>\$ 348,957</u>	<u>\$ 14,867</u>	<u>\$ 295,557</u>	<u>\$ 415,611</u>	<u>\$ 729,156</u>	<u>\$ 24,993</u>	<u>\$ (455,527)</u>

**Virginia Risk Sharing Association and Subsidiaries**  
**Schedule of Revenue and Expenses by Line of Coverage, Continued**

**Fidelity & Crime**

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 301,739	\$ 298,819	\$ 299,304	\$ 300,405	\$ 297,756	\$ 276,779	\$ 279,315	\$ 295,818	\$ 290,763	\$ 287,953	\$ 274,884
Ceded reinsurance	41,608	44,828	-	-	-	-	-	-	-	-	-
Net premiums	260,131	253,991	299,304	300,405	297,756	276,779	279,315	295,818	290,763	287,953	274,884
Miscellaneous Income, net	-	65	165	93	742	580	1,007	1,169	1,209	1,722	742
Program administrative costs	64,769	48,640	56,332	60,274	56,302	57,273	62,944	59,819	55,821	57,260	53,839
Provision for loss & LAE	(118,984)	7,512	78,298	(7,109)	201,002	112,023	(10,095)	5,322	(99,583)	(8,660)	78,482
Operating revenue/(loss)	314,346	197,905	164,839	247,333	41,194	108,064	227,472	231,846	335,734	241,075	143,305
Investment income	46,328	41,406	48,848	54,841	53,846	50,876	54,038	56,676	48,254	43,636	46,448
Unrealized gain/(loss)	(32,083)	18,386	(17,484)	28,716	(38,328)	(42,987)	81,787	72,209	883	(200,982)	(24,905)
Non-operating income	14,245	59,792	31,365	83,557	15,519	7,888	135,825	128,885	49,137	(157,346)	21,543
Other expenses	4,248	4,181	4,809	5,764	5,099	4,265	4,229	4,346	4,814	3,955	3,861
Non-operating revenue/(loss)	9,997	55,611	26,556	77,794	10,419	3,624	131,596	124,539	44,323	(161,301)	17,682
Change in net position	\$ 324,343	\$ 253,516	\$ 191,395	\$ 325,127	\$ 51,613	\$ 111,687	\$ 359,068	\$ 356,385	\$ 380,057	\$ 79,774	\$ 160,987

**Excess Liability**

Fiscal Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premiums	\$ 3,861,553	\$ 3,768,714	\$ 3,720,306	\$ 3,292,744	\$ 3,130,211	\$ 2,990,185	\$ 2,645,317	\$ 2,440,877	\$ 2,552,869	\$ 3,015,604	\$ 3,223,894
Ceded reinsurance	3,651,488	3,531,627	3,515,457	3,014,197	2,578,563	2,450,333	1,911,469	1,777,036	1,847,624	1,998,907	2,439,278
Net premiums	210,065	237,087	204,849	278,547	551,648	539,852	733,848	663,841	705,245	1,016,697	784,616
Miscellaneous Income, net	-	61	113	86	1,374	1,132	2,645	2,623	2,933	6,079	2,118
Program administrative costs	34,279	39,961	32,568	48,569	92,098	98,440	147,262	119,935	121,845	174,204	134,023
Provision for loss & LAE	159,776	(71,476)	-	-	-	-	150,791	-	-	-	-
Operating revenue/(loss)	16,010	268,663	172,394	230,065	460,924	442,544	438,440	546,529	586,333	848,572	652,711
Investment income	37,411	38,651	33,433	50,851	99,760	99,232	141,975	127,187	117,040	154,068	132,580
Unrealized gain/(loss)	(25,908)	17,162	(11,966)	26,627	(71,009)	(83,846)	214,881	162,044	2,142	(709,623)	(71,088)
Non-operating income	11,503	55,813	21,466	77,478	28,751	15,386	356,856	289,231	119,182	(555,555)	61,492
Other expenses	3,430	3,902	3,291	5,344	9,448	8,318	11,111	9,752	11,677	13,964	11,020
Non-operating revenue/(loss)	8,073	51,910	18,175	72,133	19,304	7,068	345,745	279,479	107,505	(569,519)	50,472
Change in net position	\$ 24,083	\$ 320,573	\$ 190,570	\$ 302,198	\$ 480,228	\$ 449,612	\$ 784,184	\$ 826,008	\$ 693,838	\$ 279,053	\$ 703,183

**Virginia Risk Sharing Association and Subsidiaries**  
**Schedule of Revenue and Expenses by Line of Coverage, Continued**

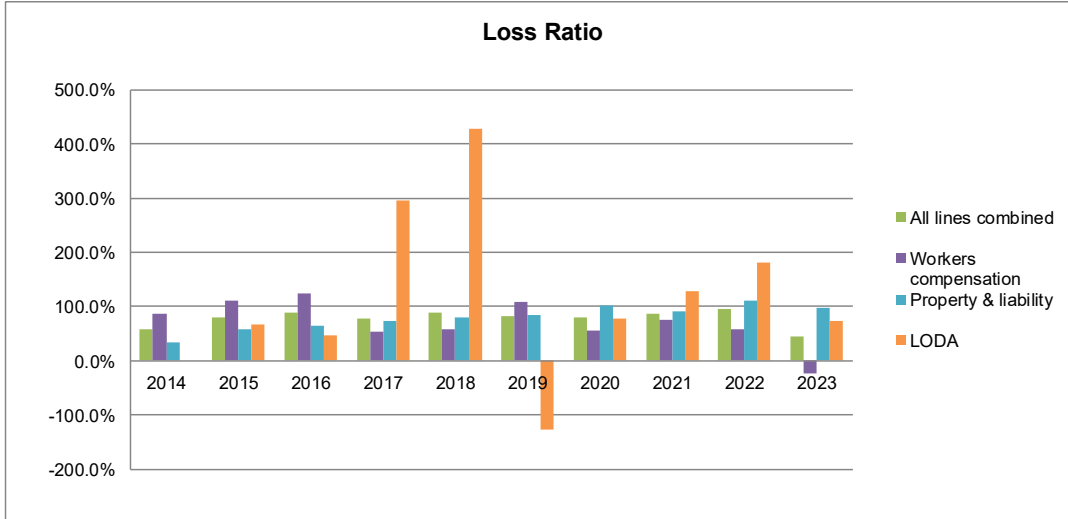
**Cyber**

Fiscal Year ending June 30,	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Written premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,772	\$ 369,560	\$ 436,175	\$ 655,797	\$ 668,795	\$ 1,061,390
Ceded reinsurance	-	-	-	-	-	68,712	85,136	85,866	120,514	18,033	306,825
Net premiums	-	-	-	-	-	250,060	284,424	350,309	535,283	650,762	754,565
Miscellaneous Income, net	-	-	-	-	-	524	1,025	1,384	2,226	3,891	2,037
Program administrative costs	-	-	-	-	-	50,240	124,052	106,016	127,981	161,017	173,930
Provision for loss & LAE	-	-	-	-	-	150,985	200,577	277,020	(350,000)	901,252	1,180,235
Operating revenue/(loss)	-	-	-	-	-	49,360	(39,181)	(31,343)	759,528	(407,616)	(597,563)
Investment income	-	-	-	-	-	45,964	55,026	67,117	88,834	98,615	127,502
Unrealized gain/(loss)	-	-	-	-	-	(38,838)	83,283	85,511	1,626	(454,212)	(68,365)
Non-operating income	-	-	-	-	-	7,127	138,310	152,628	90,460	(355,597)	59,137
Other expenses	-	-	-	-	-	3,853	4,307	5,146	8,863	8,938	10,598
Non-operating revenue/(loss)	-	-	-	-	-	3,274	134,003	147,482	81,597	(364,535)	48,539
Change in net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,634	\$ 94,823	\$ 116,139	\$ 841,125	\$ (772,151)	\$ (549,024)

**Virginia Risk Sharing Association and Subsidiaries**  
**Insurance Industry Ratios**  
**All Lines of Coverage Combined**

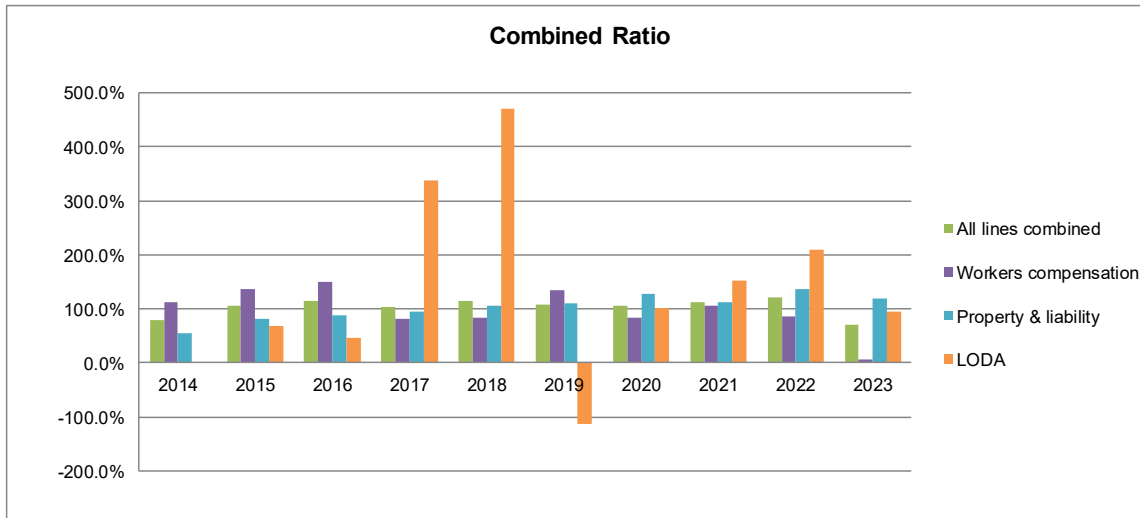
**Loss Ratio**

Fiscal Year ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
All lines combined	57.14%	80.68%	89.38%	77.03%	89.07%	82.19%	80.56%	87.68%	94.74%	44.07%
Workers compensation	86.92%	110.57%	123.66%	54.49%	59.06%	108.51%	56.30%	76.73%	57.51%	-23.10%
Property & liability	32.90%	57.76%	64.29%	72.60%	80.38%	84.28%	103.12%	90.68%	111.82%	96.82%
LODA		67.76%	46.29%	296.02%	428.92%	-127.83%	77.14%	128.21%	181.81%	74.38%



**Combined Ratio**

Fiscal Year ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
All lines combined	80.54%	105.76%	115.20%	103.10%	115.11%	108.08%	105.70%	112.68%	120.82%	69.77%
Workers compensation	112.03%	137.94%	151.18%	82.28%	84.81%	135.47%	83.04%	105.13%	86.00%	6.93%
Property & liability	55.11%	81.35%	89.03%	95.64%	105.16%	110.41%	127.04%	112.90%	135.75%	119.49%
LODA		67.76%	46.29%	337.07%	469.69%	-111.79%	100.86%	153.37%	208.77%	95.84%

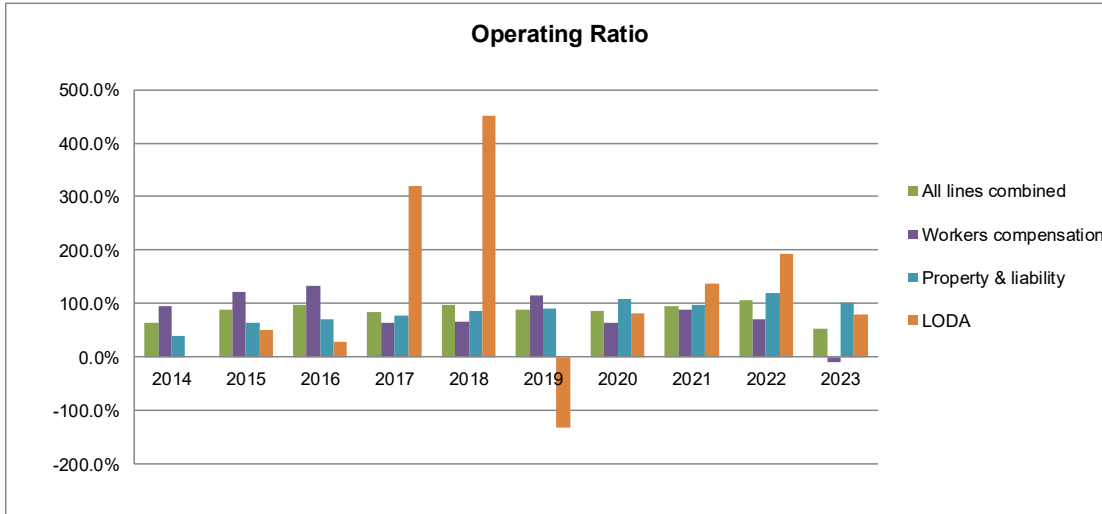




**Virginia Risk Sharing Association and Subsidiaries**  
**Insurance Industry Ratios**  
**All Lines of Coverage Combined, Continued**

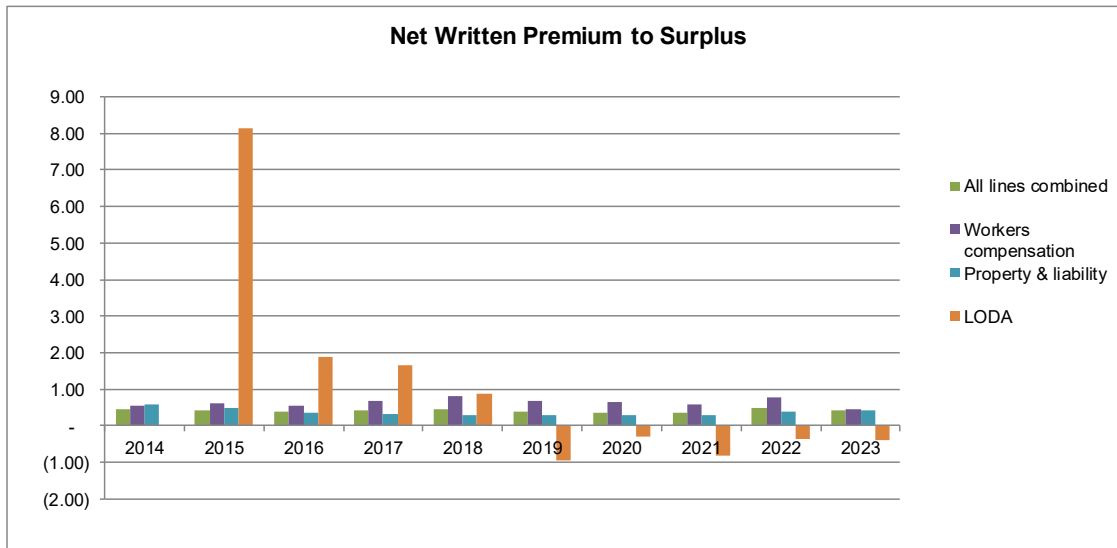
**Operating Ratio**

Fiscal Year ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
All lines combined	64.24%	89.44%	96.95%	85.02%	96.73%	88.73%	86.54%	96.08%	105.67%	52.87%
Workers compensation	95.72%	121.62%	132.93%	64.20%	66.43%	116.12%	63.88%	88.54%	70.85%	-9.97%
Property & liability	38.81%	65.03%	70.78%	77.56%	86.78%	91.07%	107.88%	96.31%	120.60%	102.59%
LODA		51.44%	28.03%	318.99%	451.30%	-131.14%	81.70%	136.78%	193.62%	78.94%



**Net written premium to surplus** Calculation: Net Premiums / Ending Net Position

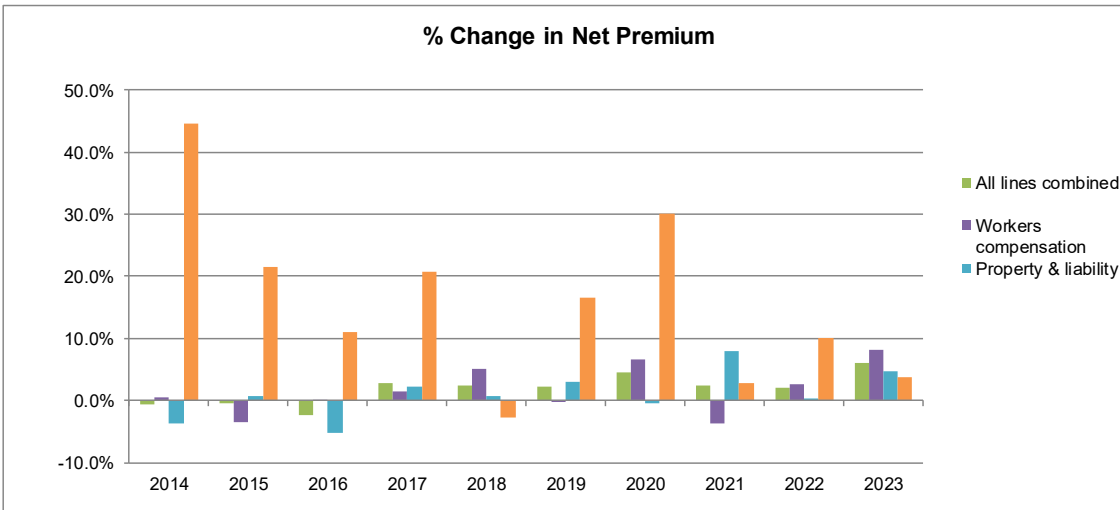
Fiscal Year ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
All lines combined	0.45	0.43	0.40	0.41	0.44	0.38	0.35	0.35	0.48	0.43
Workers compensation	0.56	0.60	0.56	0.67	0.83	0.70	0.66	0.59	0.79	0.46
Property & liability	0.57	0.48	0.34	0.32	0.29	0.29	0.29	0.28	0.37	0.41
LODA		8.14	1.90	1.66	0.89	(0.93)	(0.31)	(0.83)	(0.37)	(0.40)



**Virginia Risk Sharing Association and Subsidiaries**  
**Insurance Industry Ratios**  
**All Lines of Coverage Combined, Continued**

**Change in net written premium** Calculation:  $-1 + (\text{Current Year Premiums} / \text{Prior Year Premiums})$

Fiscal Year ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
All lines combined	-0.72%	-0.39%	-2.33%	2.78%	2.38%	2.33%	4.49%	2.42%	1.96%	6.08%
Workers compensation	0.59%	-3.40%	0.08%	1.48%	5.08%	-0.16%	6.71%	-3.72%	2.62%	8.11%
Property & liability	-3.69%	0.73%	-5.29%	2.27%	0.68%	3.04%	-0.37%	7.94%	0.26%	4.76%
LODA	44.62%	21.52%	10.97%	20.65%	-2.82%	16.54%	30.10%	2.80%	10.00%	3.79%



# Virginia Risk Sharing Association and Subsidiaries

## Total Incurred Losses by Line of Coverage

	Auto Liability	Auto Physical	Boiler & Machinery	Fidelity & Crime	General Liability	Property/Inland Marine	Public Officials/ Law Enforcement	CYBER	LODA	Workers Compensation	Total All Lines
<b>Total Incurred Losses as of June 30,</b>											
2023	126,674,069	44,426,337	5,274,619	1,486,068	64,255,477	85,568,523	82,493,474	2,351,546	34,052,842	552,952,973	999,535,928
2022	116,599,743	41,015,264	4,401,036	1,409,433	59,501,949	78,865,738	81,805,218	971,971	31,025,592	555,853,194	971,449,138
2021	111,511,131	38,118,366	4,161,333	1,398,736	57,839,469	71,189,150	74,930,205	275,000	23,998,954	548,684,159	932,106,503
2020	106,665,692	35,891,163	3,953,113	1,520,779	53,789,467	66,076,535	67,844,093	625,000	19,486,656	533,972,234	889,824,732
2019	101,686,887	33,235,168	3,607,151	1,516,323	51,712,198	60,964,420	59,559,405	350,000	16,829,255	522,613,690	852,074,497
2018	95,538,771	30,966,261	3,250,847	1,526,851	50,210,961	55,884,551	55,316,041	150,000	20,138,283	501,456,084	814,438,650
2017	90,751,937	29,358,313	2,846,667	1,415,813	47,560,961	51,554,093	51,212,081	-	10,513,350	489,536,347	774,749,562
2016	87,760,469	27,397,505	2,756,024	1,215,001	44,023,002	47,002,421	48,011,002	-	3,863,004	479,611,795	741,640,223
2015	83,930,769	25,496,345	2,518,261	1,223,370	42,073,002	43,553,479	45,682,539	-	2,942,519	456,725,483	704,145,767
2014	80,281,514	23,735,976	2,271,941	1,147,380	39,973,002	39,956,985	43,807,539	-	1,744,807	436,489,579	669,408,723
2013	77,306,771	22,089,361	1,994,549	1,139,904	39,769,256	36,876,968	44,075,000	-	1,039,904	419,636,544	643,928,257

### % Change from Prior Year by Line

2023	8.64%	8.32%	19.85%	5.44%	7.99%	8.50%	0.84%	141.94%	9.76%	-0.52%	2.89%
2022	4.56%	7.60%	5.76%	0.76%	2.87%	10.78%	9.18%	253.44%	29.28%	1.31%	4.22%
2021	4.54%	6.21%	5.27%	-8.03%	7.53%	7.74%	10.44%	-	23.16%	2.76%	4.75%
2020	4.90%	7.99%	9.59%	0.29%	4.02%	8.39%	13.91%	-	15.79%	2.17%	4.43%
2019	6.44%	7.33%	10.96%	-0.69%	2.99%	9.09%	7.67%	-	-	4.22%	4.62%
2018	5.27%	5.48%	14.20%	7.84%	5.57%	8.40%	8.01%	-	-	2.43%	5.12%
2017	3.41%	7.16%	3.29%	16.53%	8.04%	9.68%	6.67%	-	-	2.07%	4.46%
2016	4.56%	7.46%	9.44%	-0.68%	4.63%	7.92%	5.10%	-	-	5.01%	5.32%
2015	4.55%	7.42%	10.84%	6.62%	5.25%	9.00%	4.28%	-	-	4.64%	5.19%
2014	3.85%	7.45%	13.91%	0.66%	0.51%	8.35%	-0.61%	-	-	4.02%	3.96%

### Total Net Paid Losses as of June 30,

2023	108,403,166	43,704,295	4,700,288	1,239,391	53,912,456	80,716,432	64,344,353	905,616	5,679,782	432,941,575	796,547,354
2022	98,546,741	40,370,389	4,230,166	1,231,670	50,438,175	73,487,739	58,846,923	184,052	4,295,793	416,642,178	748,273,826
2021	96,882,645	37,373,563	4,031,809	1,223,731	48,044,000	68,679,152	53,651,453	169,541	3,200,876	410,971,657	724,228,427
2020	91,149,055	35,167,339	3,648,738	1,246,332	44,891,780	63,415,312	49,593,291	220,160	2,337,939	401,787,343	693,457,289
2019	87,014,316	32,656,513	3,315,537	1,264,510	42,635,441	58,629,303	44,322,025	59,631	1,684,364	391,434,010	663,015,650
2018	82,015,943	30,542,180	3,027,146	1,206,037	39,989,824	53,129,812	40,617,580	1,971	981,417	378,195,546	629,707,456
2017	78,086,105	28,880,271	2,723,563	1,092,373	37,523,395	47,350,135	37,576,040	-	397,453	364,903,021	598,532,356
2016	74,064,556	26,742,745	2,621,002	921,158	35,000,472	44,871,552	33,812,457	-	304,776	352,289,114	570,627,832
2015	71,319,610	25,205,715	2,401,242	834,135	33,183,639	39,398,685	31,421,471	-	174,177	337,778,903	541,717,577
2014	65,775,331	23,101,284	2,135,121	749,643	31,221,064	36,733,563	28,859,624	-	61,352	323,980,663	512,617,645
2013	60,870,421	21,673,566	1,867,170	749,063	29,040,431	33,535,426	26,490,730	-	6,502	310,681,622	484,914,931

### % Change from Prior Year by Line

2023	10.00%	8.26%	11.11%	0.63%	6.89%	9.84%	9.34%	392.04%	32.22%	3.91%	6.45%
2022	1.72%	8.02%	4.92%	0.65%	4.98%	7.00%	9.68%	8.56%	34.21%	1.38%	3.32%
2021	6.29%	6.27%	10.50%	-1.81%	7.02%	8.30%	8.18%	-	36.91%	2.29%	4.44%
2020	4.75%	7.69%	10.05%	-1.44%	5.29%	8.16%	11.89%	-	38.80%	2.64%	4.59%
2019	6.09%	6.92%	9.53%	4.85%	6.62%	10.35%	9.12%	-	-	3.50%	5.29%
2018	5.03%	5.75%	11.15%	10.41%	6.57%	12.21%	8.09%	-	-	3.64%	5.21%
2017	5.43%	7.99%	3.91%	18.59%	7.21%	5.52%	11.13%	-	-	3.58%	4.89%
2016	3.85%	6.10%	9.15%	10.43%	5.48%	13.89%	7.61%	-	-	4.30%	5.34%
2015	8.43%	9.11%	12.46%	11.27%	6.29%	7.26%	8.88%	-	-	4.26%	5.68%
2014	8.06%	6.59%	14.35%	0.08%	7.51%	9.54%	8.94%	-	-	4.28%	5.71%

### Total Outstanding Losses as of June 30,

2023	18,270,903	722,042	574,331	246,677	10,343,021	4,852,091	18,149,121	1,445,930	28,373,060	120,011,398	202,988,574
2022	18,053,002	644,875	170,870	177,763	9,063,774	5,377,999	22,958,295	787,919	26,729,799	139,211,016	223,175,312
2021	14,628,486	744,803	129,524	175,005	9,795,469	2,509,998	21,278,752	105,459	20,798,078	137,712,502	207,878,076
2020	15,516,637	723,824	304,375	274,447	8,897,687	2,661,223	18,250,802	404,840	17,148,717	132,184,891	196,367,443
2019	14,672,571	578,655	291,614	251,813	9,076,757	2,335,117	15,237,380	290,369	15,144,891	131,179,680	189,058,847
2018	13,522,828	424,081	223,701	320,814	10,221,137	2,754,739	14,698,461	148,029	19,156,866	123,260,538	184,731,194
2017	12,665,832	478,042	123,104	323,440	10,037,566	4,203,958	13,636,041	-	10,115,897	124,633,326	176,217,206
2016	13,695,913	654,760	135,022	293,843	9,022,530	2,130,869	14,198,545	-	3,558,228	127,322,681	171,012,391
2015	12,611,159	290,630	117,019	389,235	8,889,363	4,154,794	14,261,068	-	2,768,342	118,946,580	162,428,190
2014	14,506,183	634,692	136,820	397,737	8,751,938	3,223,422	14,947,915	-	1,683,455	112,508,916	156,791,078
2013	16,436,350	415,795	127,379	390,841	10,728,825	3,341,542	17,584,270	-	1,033,402	108,954,922	159,013,326

### % Change from Prior Year by Line

2023	1.21%	11.97%	236.12%	38.77%	14.11%	-9.78%	-20.95%	83.51%	6.15%	-13.79%	-9.05%
2022	23.41%	-13.42%	31.92%	1.58%	-7.47%	114.26%	7.89%	647.13%	28.52%	1.09%	7.36%
2021	-5.72%	2.90%	-57.45%	-36.23%	10.09%	-5.68%	16.59%	-	21.28%	4.18%	5.86%
2020	5.75%	25.09%	4.38%	8.99%	-1.97%	13.97%	19.78%	-	13.23%	0.77%	3.87%
2019	8.50%	36.45%	30.36%	-21.51%	-11.20%	-15.23%	3.67%	-	-	6.42%	2.34%
2018	6.77%	-11.29%	81.72%	-0.81%	1.83%	-34.47%	7.79%	-	-	-1.10%	4.83%
2017	-7.52%	-26.99%	-8.83%	10.07%	11.25%	97.29%	-3.96%	-	-	-2.11%	3.04%
2016	8.60%	125.29%	15.38%	-24.51%	1.50%	-48.71%	-0.44%	-	-	7.04%	5.28%
2015	-13.06%	-54.21%	-14.47%	-2.14%	1.57%	28.89%	-4.59%	-	-	5.72%	3.60%
2014	-11.74%	52.65%	7.41%	1.76%	-18.43%	-3.53%	-14.99%	-	-	3.26%	-1.40%

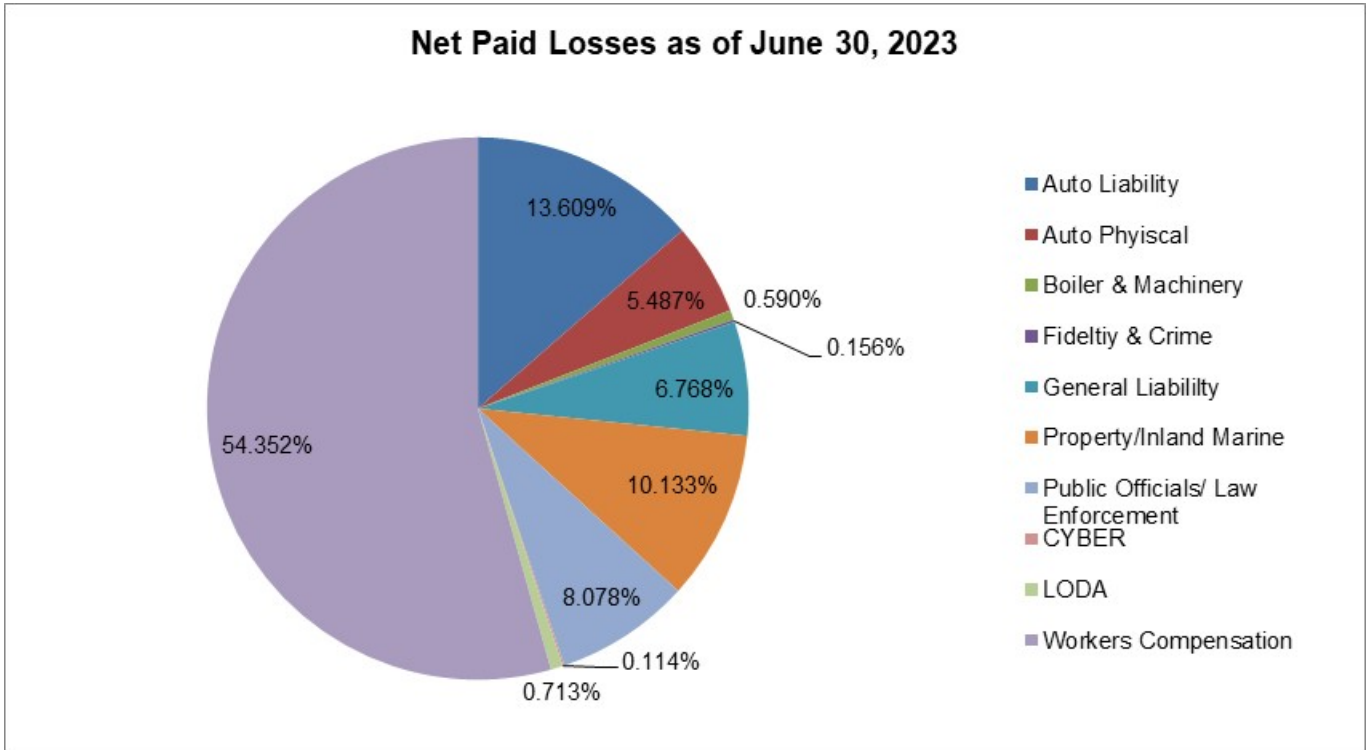
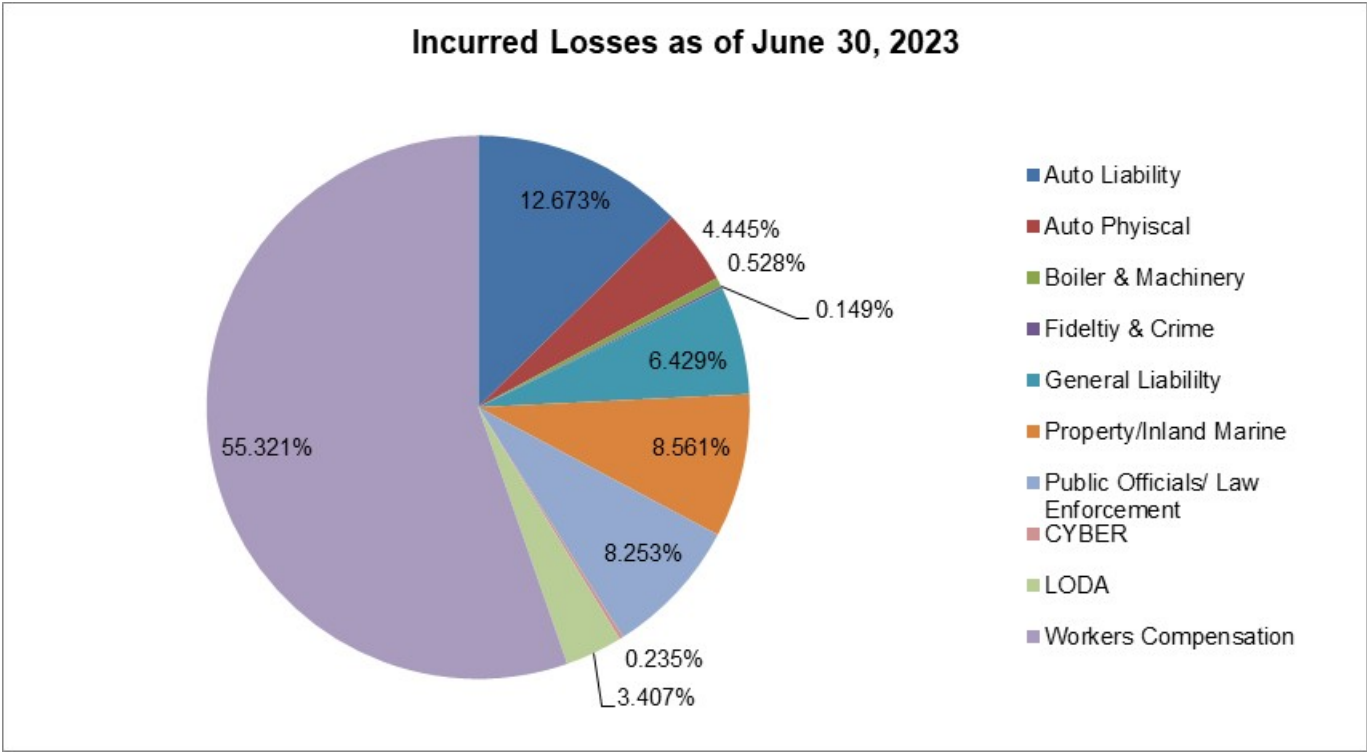
Total incurred losses = Total outstanding losses + Total net paid losses

Total incurred losses = Total estimated cost (paid and unpaid) of all claims as indicated by actuary

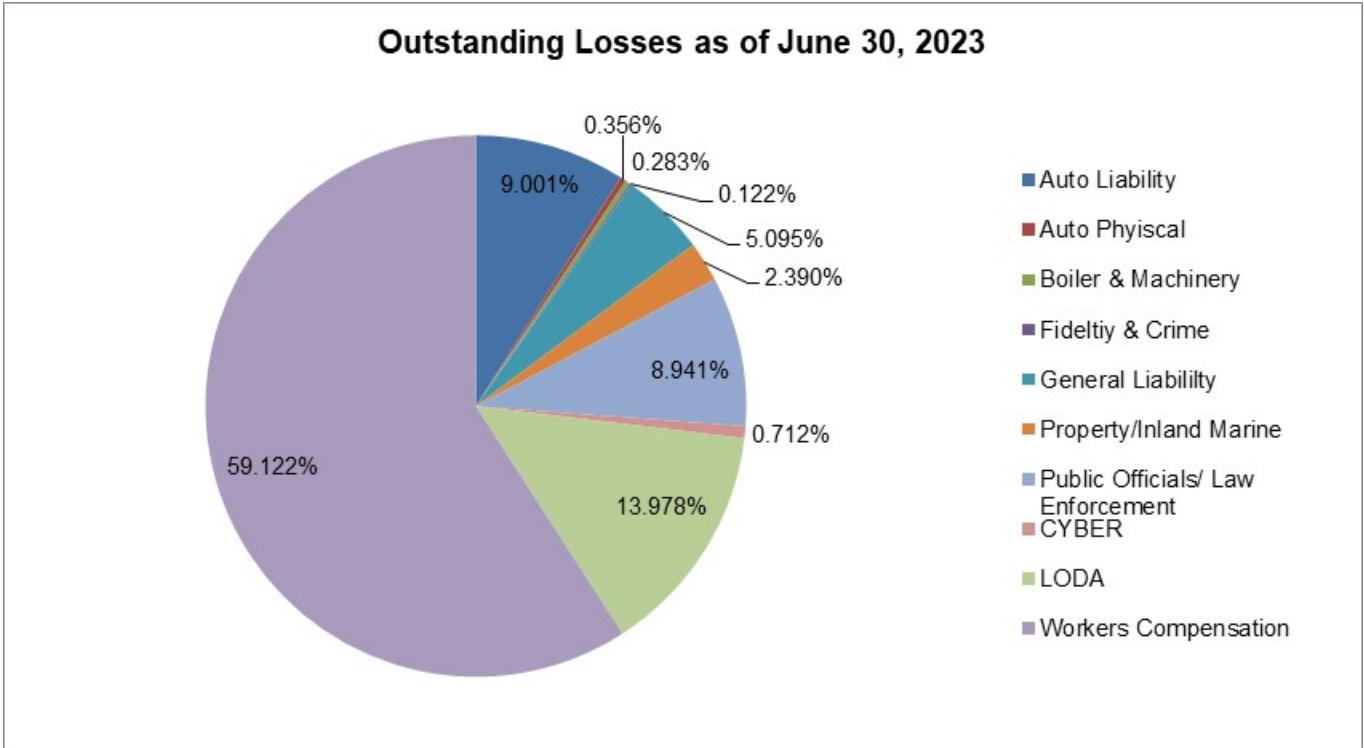
Total outstanding losses = Case reserves on individual claims + incurred but not reported reserves as indicated by actuary

Total net paid losses = Expenses paid on individual claims less recoveries received

**Virginia Risk Sharing Association and Subsidiaries**  
**Total Incurred Losses by Line of Coverage, Continued**



Virginia Risk Sharing Association and Subsidiaries  
Total Incurred Losses by Line of Coverage, Continued



**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage**  
**As of Fiscal and Policy Years Ended June 30,**

<b>WORKERS COMPENSATION</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 25,079,677	\$ 10,755,399	\$ 25,012,691	\$ 22,331,107	\$ 21,035,289	\$ 20,845,868	\$ 20,054,717	\$ 20,083,515	\$ 20,351,394	\$ 20,919,822
Ceded	1,008,662	1,080,665	1,018,829	1,022,538	1,067,384	846,297	1,021,186	1,327,043	1,610,256	1,518,664
Net earned	24,071,015	9,674,734	23,993,862	21,308,569	19,967,905	19,999,571	19,033,531	18,756,472	18,741,138	19,401,158
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 26,308,386	\$ 26,530,194	\$ 26,385,040	\$ 21,400,000	\$ 29,128,146	\$ 21,099,392	\$ 20,950,000	\$ 24,678,739	\$ 21,250,000	\$ 20,064,438
Ceded	4,881	667,543	635,040	-	3,078,146	249,392	-	178,739	-	314,438
Net incurred	26,303,505	25,862,651	25,750,000	21,400,000	26,050,000	20,850,000	20,950,000	24,500,000	21,250,000	19,750,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 4,358,142	\$ 3,205,610	\$ 4,508,243	\$ 3,484,002	\$ 5,366,802	\$ 5,065,356	\$ 4,799,580	\$ 4,113,698	\$ 4,271,153	\$ 4,163,479
One year later		7,128,568	9,205,135	5,873,828	8,659,469	8,978,307	8,815,542	7,385,864	8,497,761	7,727,166
Two years later			11,781,879	6,731,006	9,308,626	9,681,264	10,194,407	9,288,792	9,791,484	9,300,495
Three years later				7,151,144	10,263,050	10,060,514	10,463,830	10,013,751	10,062,087	10,197,695
Four years later					9,851,076	10,144,742	10,529,531	10,151,866	10,233,482	10,336,571
Five years later						10,153,751	10,552,313	10,138,264	10,284,472	10,424,071
Six years later							10,557,334	10,148,107	10,363,525	10,604,137
Seven years later								10,142,776	10,399,237	10,679,492
Eight years later									10,436,141	10,716,833
Nine years later										10,790,882
<b>4. Re-estimated ceded losses</b>	\$ 4,881	\$ 747,808	\$ 2,326,056	\$ 367,000	\$ 788,964	\$ -	\$ -	\$ -	\$ -	\$ -
<b>5. Re-estimated total incurred losses</b>										
Policy year	26,303,505	\$ 25,862,651	\$ 25,750,000	\$ 21,400,000	\$ 26,050,000	\$ 20,850,000	\$ 20,950,000	\$ 24,500,000	\$ 21,250,000	\$ 19,750,000
One year later		20,398,767	25,800,000	18,750,000	21,325,000	20,350,000	20,650,000	21,250,000	20,350,000	19,600,000
Two years later			21,903,649	17,209,959	18,350,000	18,000,000	19,400,000	19,800,000	18,950,000	19,100,000
Three years later				13,041,968	18,433,752	17,250,000	17,950,000	18,300,000	18,050,000	18,125,000
Four years later					15,455,615	16,250,000	17,450,000	17,475,000	17,300,000	17,175,000
Five years later						14,244,447	16,225,000	16,825,000	17,075,000	16,425,000
Six years later							14,293,004	15,810,000	16,325,000	16,450,000
Seven years later								13,383,552	15,600,000	15,700,000
Eight years later									13,215,549	15,215,000
Nine years later										14,037,604
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		\$ (5,463,884)	\$ (3,846,351)	\$ (8,358,032)	\$ (10,594,385)	\$ (6,605,553)	\$ (6,656,996)	\$ (11,116,448)	\$ (8,034,451)	\$ (5,712,396)

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<u>LODA</u>										
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>1. Premiums</b>										
Earned	\$ 4,519,482	\$ 1,851,005	\$ 4,295,886	\$ 3,562,172	\$ 2,737,991	\$ 2,349,383	\$ 3,130,211	\$ 2,003,715	\$ 1,805,629	\$ 1,485,866
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	4,519,482	1,851,005	4,295,886	3,562,172	2,737,991	2,349,383	551,648	2,003,715	1,805,629	1,485,866
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 2,138,729	\$ 5,327,765	\$ 3,670,076	\$ 2,487,009	\$ 2,174,078	\$ 6,999,685	\$ 4,591,978	\$ 553,048	\$ 1,114,921	\$ 176,329
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	2,138,729	5,327,765	3,670,076	2,487,009	2,174,078	6,999,685	4,591,978	553,048	1,114,921	176,329
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 175,382	\$ 190,659	\$ 138,739	\$ 54,406	\$ 110,345	\$ 219,524	\$ 23,531	\$ 45,023	\$ 83,348	\$ 5,762
One year later		402,251	258,144	170,289	198,021	458,625	185,197	54,490	135,837	7,190.00
Two years later			411,346	278,683	253,725	654,538	346,940	94,113	168,438	8,843.00
Three years later				412,927	374,796	862,649	502,641	130,813	223,132	10,031.00
Four years later					470,304	1,061,995	661,258	151,663	273,097	38,231
Five years later						1,279,093	830,296	187,738	322,686	66,431
Six years later							1,010,193	232,351	373,758	93,527
Seven years later								279,903	428,292	121,379
Eight years later									484,175	151,211
Nine years later										214,883
<b>4. Re-estimated ceded losses</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 2,138,729	\$ 5,327,765	\$ 3,670,076	\$ 2,487,009	\$ 2,174,078	\$ 6,999,685	\$ 4,591,978	\$ 553,048	\$ 1,114,921	\$ 176,329
One year later		6,005,487	3,785,237	2,657,101	2,191,747	4,905,477	6,775,214	1,312,126	1,817,715	174,653
Two years later			4,603,875	3,965,819	2,453,258	4,753,146	4,912,842	1,232,883	1,714,104	51,729
Three years later				3,978,487	2,610,455	5,094,050	4,648,516	1,077,914	1,736,889	271,990
Four years later					2,495,395	5,151,324	5,133,925	1,004,319	1,130,925	655,664
Five years later						4,906,125	5,145,849	1,107,955	1,018,304	470,804
Six years later							4,999,203	1,075,784	1,139,521	448,313
Seven years later								1,138,350	1,209,428	488,340
Eight years later									1,121,907	490,688
Nine years later										507,585
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		677,722	\$ 933,799	\$ 1,491,478	\$ 321,317	\$ (2,093,560)	\$ 407,225	\$ 585,302	\$ 6,986	\$ 331,256

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>COMBINED PROPERTY &amp; LIABILITY</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 39,031,120	\$ 20,465,656	\$ 36,022,187	\$ 30,175,276	\$ 29,565,430	\$ 28,532,948	\$ 28,541,538	\$ 27,915,508	\$ 28,649,112	\$ 28,597,037
Ceded	11,147,920	9,274,717	7,163,798	7,395,582	6,768,709	6,237,175	6,411,502	6,015,456	5,436,375	5,585,171
Net earned	27,883,200	11,190,939	28,858,389	22,779,694	22,796,721	22,295,773	22,130,036	21,900,052	23,212,737	23,011,866
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 35,312,313	\$ 30,148,559	\$ 23,686,800	\$ 34,891,716	\$ 25,528,908	\$ 27,377,289	\$ 23,842,328	\$ 19,700,000	\$ 22,300,000	\$ 23,886,334
Ceded	766,927	222,898	386,800	9,791,716	53,196	2,315,341	967,328	-	1,900,000	2,436,334
Net incurred	34,545,386	29,925,661	23,300,000	25,100,000	25,675,712	25,211,948	22,875,000	19,700,000	20,400,000	21,450,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 12,232,350	\$ 8,373,696	\$ 6,999,233	\$ 8,708,751	\$ 9,176,467	\$ 8,266,686	\$ 6,947,648	\$ 5,825,224	\$ 6,606,857	\$ 5,895,432
One year later		14,273,662	12,144,193	12,843,453	11,271,780	9,505,275	10,647,837	10,413,627	7,670,565	10,413,627
Two years later			13,075,066	20,026,905	13,772,484	11,342,545	13,929,897	12,254,881	9,684,028	12,254,881
Three years later				20,134,640	16,996,061	13,061,293	14,431,969	13,011,272	10,531,373	13,011,272
Four years later					18,280,321	19,967,588	15,246,988	14,746,511	11,299,093	14,746,511
Five years later						22,316,711	16,983,335	15,124,432	11,645,466	15,124,432
Six years later							19,155,712	14,393,987	11,670,378	16,111,048
Seven years later								14,505,121	16,792,288	16,445,610
Eight years later									16,792,157	16,475,125
Nine years later										\$ 16,445,632
<b>4. Re-estimated ceded losses</b>	\$ 766,927	\$ 4,256,683	\$ 336,443	\$ 12,701,655	\$ 3,960,357	\$ 7,012,135	\$ 978,517	\$ 1,018,948	\$ 1,790,972	\$ 8,006,025
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 34,545,386	\$ 29,925,661	\$ 23,300,000	\$ 25,100,000	\$ 25,675,712	\$ 25,211,948	\$ 22,875,000	\$ 19,700,000	\$ 20,400,000	\$ 21,450,000
One year later		27,110,509	22,309,681	25,466,481	24,893,444	23,429,705	22,344,459	18,636,941	19,153,073	19,845,223
Two years later			19,965,968	25,814,426	24,487,521	23,953,843	20,614,931	18,032,078	19,632,339	18,411,366
Three years later				24,754,720	23,221,163	23,972,884	19,353,631	16,652,390	17,827,598	17,586,031
Four years later					21,028,708	23,998,324	19,407,389	16,130,471	17,969,049	19,049,602
Five years later						25,037,826	20,665,482	15,632,874	17,741,311	16,572,513
Six years later							20,540,977	15,720,281	17,407,788	17,177,418
Seven years later								14,884,513	17,214,905	17,022,243
Eight years later									16,979,456	16,600,063
Nine years later										16,580,493
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		2,815,152	990,319	\$ 714,426	\$ (2,454,549)	\$ (1,213,624)	\$ (2,209,518)	\$ (3,979,719)	\$ (3,185,095)	\$ (4,849,937)



**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>GENERAL LIABILITY</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 3,855,905	\$ 1,644,439	\$ 3,737,542	\$ 2,738,630	\$ 2,908,569	\$ 2,970,925	\$ 2,994,970	\$ 3,077,724	\$ 3,519,738	\$ 3,609,788
Ceded	62,158	83,613	81,070	-	-	-	-	-	-	-
Net earned	3,793,747	1,560,826	3,656,472	2,738,630	2,908,569	2,970,925	2,994,970	3,077,724	3,519,738	3,609,788
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 4,728,996	\$ 3,675,183	\$ 3,900,000	\$ 3,400,000	\$ 3,500,000	\$ 4,250,000	\$ 4,250,000	\$ 3,850,000	\$ 3,500,000	\$ 3,600,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	4,728,996	3,675,183	3,900,000	3,400,000	3,500,000	4,250,000	4,250,000	3,850,000	3,500,000	3,600,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 1,596,437	\$ 808,967	\$ 1,163,113	\$ 1,021,315	\$ 1,024,550	\$ 903,473	\$ 1,048,763	\$ 1,136,335	\$ 895,614	\$ 885,529
One year later		1,706,599	1,733,344	1,671,978	1,446,917	1,499,235	1,537,701	1,655,629	1,175,828	1,533,931
Two years later			2,175,456	1,962,354	1,795,785	1,819,099	1,971,281	2,069,185	1,632,747	1,677,702
Three years later				2,155,719	1,880,176	1,997,708	2,071,828	2,277,227	1,818,193	1,870,556
Four years later					2,078,921	2,355,835	2,399,666	2,579,803	1,947,725	2,173,564
Five years later						2,420,715	2,568,941	2,581,668	2,017,293	2,390,100
Six years later							2,603,364	2,581,668	2,169,018	2,407,506
Seven years later								2,587,149	2,319,695	2,740,057
Eight years later									2,319,695	2,740,139
Nine years later										2,740,348
<b>4. Re-estimated ceded losses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 4,728,996	\$ 3,675,183	\$ 3,900,000	\$ 3,400,000	\$ 3,500,000	\$ 4,250,000	\$ 4,250,000	\$ 3,850,000	\$ 3,500,000	\$ 3,600,000
One year later		4,493,826	3,510,434	3,500,000	3,600,000	3,500,000	3,750,000	3,850,000	3,000,000	3,500,000
Two years later			3,618,075	2,966,769	4,000,000	3,200,000	3,500,000	3,500,000	3,100,000	3,000,000
Three years later				3,253,976	3,311,571	3,000,000	3,000,000	3,500,000	2,800,000	3,100,000
Four years later					2,891,193	3,063,075	3,150,000	3,200,000	2,500,000	3,150,000
Five years later						2,671,846	2,922,217	3,000,000	2,500,000	3,150,000
Six years later							2,772,005	2,835,618	2,450,000	3,050,000
Seven years later								2,773,474	2,498,177	3,000,000
Eight years later									2,383,788	2,879,439
Nine years later										2,875,209
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		818,643	\$ (281,925)	\$ (146,024)	\$ (608,807)	\$ (1,578,154)	\$ (1,477,995)	\$ (1,076,526)	\$ (1,116,212)	\$ (724,791)

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>PUBLIC OFFICIALS/LAW ENFORCEMENT</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 3,994,190	\$ 1,643,868	\$ 4,113,581	\$ 3,274,328	\$ 3,105,184	\$ 3,072,947	\$ 3,132,465	\$ 3,297,492	\$ 3,776,673	\$ 3,879,133
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	3,994,190	1,643,868	4,113,581	3,274,328	3,105,184	3,072,947	3,132,465	3,297,492	3,776,673	3,879,133
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 5,810,733	\$ 5,758,853	\$ 7,200,000	\$ 6,100,000	\$ 5,000,000	\$ 5,661,948	\$ 4,200,000	\$ 4,000,000	\$ 3,500,000	\$ 4,500,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	5,810,733	5,758,853	7,200,000	6,100,000	5,000,000	5,661,948	4,200,000	4,000,000	3,500,000	4,500,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 315,419	\$ 65,891	\$ 370,068	\$ 204,471	\$ 191,096	\$ 488,303	\$ 300,619	\$ 212,685	\$ 51,393	\$ 182,431
One year later		865,834	1,556,915	1,293,900	1,046,015	1,565,014	996,086	666,589	443,380	844,926
Two years later			2,540,450	3,137,921	1,853,592	3,508,560	1,708,917	1,724,554	2,397,590	1,417,570
Three years later				4,150,014	2,093,676	4,377,710	2,324,213	2,679,700	2,565,038	1,660,779
Four years later					2,204,367	4,895,095	2,955,029	3,210,431	3,112,390	2,009,152
Five years later						5,057,929	3,396,543	3,265,165	3,246,168	2,164,326
Six years later							5,399,123	3,400,373	3,465,737	3,133,685
Seven years later								3,506,283	4,226,810	3,135,616
Eight years later									4,228,363	3,135,616
Nine years later										3,135,616
<b>4. Re-estimated ceded losses</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 662,654	\$ 2,808,530
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 5,810,733	\$ 5,758,853	\$ 7,200,000	\$ 6,100,000	\$ 5,000,000	\$ 5,661,948	\$ 4,200,000	\$ 4,000,000	\$ 3,500,000	\$ 4,500,000
One year later		4,882,627	6,980,917	6,400,000	5,400,000	5,558,460	5,661,948	3,800,000	3,500,000	3,750,000
Two years later			5,720,938	7,114,842	5,200,000	6,700,000	4,488,400	4,411,547	4,600,000	3,750,000
Three years later				6,588,309	4,243,843	6,700,000	4,296,989	3,933,977	3,665,387	3,000,000
Four years later					3,441,443	6,403,995	4,311,985	4,231,631	4,672,985	4,926,103
Five years later						6,010,391	5,743,561	4,072,787	4,701,657	2,569,224
Six years later							5,858,317	4,429,436	4,596,495	3,424,288
Seven years later								3,680,770	4,425,101	3,319,113
Eight years later									4,351,568	3,135,616
Nine years later										3,135,616
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		\$ (876,226)	\$ (1,479,062)	\$ 488,309	\$ (1,558,557)	\$ 348,443	\$ 1,658,317	\$ (319,230)	\$ 851,568	\$ (1,364,384)

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>AUTOMOBILE</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 10,638,160	\$ 4,270,004	\$ 10,662,244	\$ 7,834,492	\$ 8,867,732	\$ 8,326,381	\$ 8,092,621	\$ 8,181,996	\$ 8,953,955	\$ 9,162,033
Ceded				-	-	-	-	-	-	-
Net earned	10,638,160	4,270,004	10,662,244	7,834,492	8,867,732	8,326,381	8,092,621	8,181,996	8,953,955	9,162,033
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 13,268,192	\$ 11,016,194	\$ 7,886,800	\$ 8,964,716	\$ 10,630,065	\$ 10,709,000	\$ 8,200,000	\$ 8,350,000	\$ 8,000,000	\$ 9,386,500
Ceded	199,970	70,036	386,800	64,716	36,196	1,509,000	-	-	-	1,111,500
Net incurred	13,068,222	10,946,158	7,500,000	8,900,000	10,593,869	9,200,000	8,200,000	8,350,000	8,000,000	8,275,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 4,742,980	\$ 3,733,280	\$ 2,868,084	\$ 3,612,342	\$ 3,869,183	\$ 3,140,582	\$ 3,058,884	\$ 2,775,793	\$ 3,305,481	\$ 2,349,635
One year later		4,717,036	4,726,734	4,819,498	5,523,981	4,708,141	3,737,665	4,389,227	3,815,488	4,925,406
Two years later			4,230,677	8,023,516	7,386,973	5,122,207	4,742,899	4,714,299	4,775,246	5,726,603
Three years later				7,579,414	7,606,114	7,207,175	5,376,142	5,211,329	4,929,925	6,115,020
Four years later					8,596,416	7,597,213	5,547,273	5,342,469	5,066,889	7,216,800
Five years later						9,525,861	5,699,752	5,353,254	5,141,753	7,223,011
Six years later							5,927,804	5,523,221	5,141,170	7,222,862
Seven years later								5,523,221	5,140,374	7,222,942
Eight years later									5,139,353	7,252,375
Nine years later										7,222,673
<b>4. Re-estimated ceded losses</b>	\$ 199,970	\$ 62,511	\$ 309,423	\$ 1,641,669	\$ 3,917,430	\$ 6,182,412	\$ -	\$ 106,632	\$ 220,574	\$ 4,414,664
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 13,068,222	\$ 10,946,158	\$ 7,500,000	\$ 8,900,000	\$ 10,593,869	\$ 9,200,000	\$ 8,200,000	\$ 8,350,000	\$ 8,000,000	\$ 8,275,000
One year later		9,215,349	7,307,987	8,114,045	9,847,483	880,772	7,227,666	7,603,261	7,228,073	8,495,223
Two years later			6,413,745	8,639,673	9,643,218	8,726,221	7,135,212	7,062,516	6,675,377	8,048,603
Three years later				8,647,685	10,160,268	9,106,960	6,722,608	6,314,693	6,155,249	8,023,268
Four years later					9,286,722	9,399,212	6,612,751	5,805,539	5,649,403	7,610,736
Five years later						11,041,790	6,623,123	5,655,549	5,393,525	7,506,293
Six years later							6,620,954	5,566,502	5,244,258	7,356,135
Seven years later								5,541,801	5,181,754	7,356,135
Eight years later									5,139,353	7,238,013
Nine years later										7,222,673
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		\$ (1,730,809)	\$ (1,086,255)	\$ (252,315)	\$ (1,307,147)	\$ 1,841,790	\$ (1,579,046)	\$ (2,808,199)	\$ (2,860,647)	\$ (1,052,327)

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>PROPERTY</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 17,956,467	\$ 11,979,975	\$ 15,284,957	\$ 14,597,598	\$ 13,123,542	\$ 12,682,673	\$ 13,110,014	\$ 12,190,146	\$ 11,288,076	\$ 10,875,910
Ceded	10,198,136	9,173,071	6,962,214	6,885,035	6,302,542	5,817,904	6,025,635	5,658,780	5,175,746	5,282,784
Net earned	7,758,331	2,806,904	8,322,743	7,712,563	6,821,000	6,864,769	7,084,379	6,531,366	6,112,330	5,593,126
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 8,444,038	\$ 8,320,894	\$ 4,300,000	\$ 15,460,000	\$ 5,731,843	\$ 6,090,757	\$ 6,967,328	\$ 3,250,000	\$ 6,900,000	\$ 5,156,809
Ceded	-	145,463	-	9,710,000	-	690,757	967,328	-	1,900,000	406,809
Net incurred	8,444,038	8,175,431	4,300,000	5,750,000	5,731,843	5,400,000	6,000,000	3,250,000	5,000,000	4,750,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 5,040,091	\$ 3,441,222	\$ 2,427,492	\$ 3,659,094	\$ 3,860,418	\$ 3,556,058	\$ 2,536,821	\$ 1,665,250	\$ 2,160,800	\$ 2,336,477
One year later		6,199,474	3,856,724	6,440,007	4,917,287	4,774,833	4,751,780	2,469,904	4,841,981	2,889,530
Two years later			3,858,007	6,480,011	4,975,723	4,877,479	5,097,805	2,510,581	4,753,551	3,113,992
Three years later				5,827,390	4,911,079	4,844,126	5,063,690	2,569,111	4,742,610	3,045,903
Four years later					4,895,601	4,840,006	5,065,918	2,569,374	4,739,694	3,034,232
Five years later						5,032,767	5,066,518	2,574,799	4,739,164	3,034,232
Six years later							4,973,840	2,564,799	4,738,358	3,034,232
Seven years later								2,564,542	4,738,358	3,034,232
Eight years later									4,737,695	3,034,232
Nine years later										3,034,232
<b>4. Re-estimated ceded losses</b>		\$ 4,061,722	\$ -	\$ 11,034,986	\$ -	\$ 642,471	\$ 978,517	\$ -	\$ 907,744	\$ -
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 8,444,038	\$ 8,175,431	\$ 4,300,000	\$ 5,750,000	\$ 5,731,843	\$ 5,400,000	\$ 6,000,000	\$ 3,250,000	\$ 5,000,000	\$ 4,750,000
One year later		7,488,426	4,204,209	6,910,381	5,350,000	5,114,167	5,400,000	3,000,000	5,000,000	3,750,000
Two years later			3,931,582	6,651,087	5,104,050	4,996,317	5,211,475	2,700,000	4,850,000	3,250,000
Three years later				5,839,051	4,965,228	4,883,456	5,082,453	2,579,795	4,800,000	3,100,000
Four years later					4,903,686	4,852,603	5,081,072	2,569,375	4,739,699	3,050,000
Five years later						5,034,360	5,125,000	2,580,612	4,739,167	3,034,232
Six years later							5,038,120	2,564,799	4,740,556	3,034,232
Seven years later								2,564,542	4,738,358	3,034,232
Eight years later									4,737,695	3,034,232
Nine years later										3,034,232
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		\$ (687,005)	\$ (368,418)	\$ 89,051	\$ (828,157)	\$ (365,640)	\$ (961,880)	\$ (685,458)	\$ (262,305)	\$ (1,715,768)

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>BOILER &amp; MACHINERY</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 1,166,665	\$ 477,952	\$ 1,134,271	\$ 998,235	\$ 911,528	\$ 884,471	\$ 913,712	\$ 867,745	\$ 811,366	\$ 771,354
Ceded	580,801			424,681	381,030	350,559	385,867	356,676	260,629	257,559
Net earned	585,864	477,952	1,134,271	573,554	530,498	533,912	527,845	511,069	550,737	513,795
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 1,400,948	\$ 258,568	\$ 300,000	\$ 467,000	\$ 517,000	\$ 515,584	\$ 125,000	\$ 150,000	\$ 300,000	\$ 1,168,025
Ceded	566,957	-	-	17,000	17,000	115,584	-	-	-	918,025
Net incurred	833,991	258,568	300,000	450,000	500,000	400,000	125,000	150,000	300,000	250,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 264,503	\$ 98,356	\$ 170,476	\$ 145,626	\$ 208,386	\$ 176,299	\$ 2,561	\$ 33,016	\$ 188,147	\$ 141,360
One year later		303,976	270,476	317,055	395,960	256,305	129,845	133,015	281,962	219,834
Two years later			270,476	318,055	437,127	256,305	129,845	133,015	281,962	312,763
Three years later				317,055	437,127	256,305	129,845	133,015	281,962	312,763
Four years later					437,127	256,305	129,845	133,015	281,962	312,763
Five years later						256,305	129,845	133,015	281,962	312,763
Six years later							129,845	133,015	281,962	312,763
Seven years later								133,015	281,962	312,763
Eight years later									281,962	312,763
Nine years later										312,763
<b>4. Re-estimated ceded losses</b>	\$ 566,957	\$ 132,450	\$ 27,020	\$ -	\$ -	\$ 115,584	\$ -	\$ 912,316	\$ -	\$ 782,831
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 833,991	\$ 258,568	\$ 300,000	\$ 450,000	\$ 500,000	\$ 400,000	\$ 125,000	\$ 150,000	\$ 300,000	\$ 250,000
One year later		308,819	281,134	317,055	395,961	256,305	129,845	133,680	300,000	225,000
Two years later			270,476	317,055	437,127	256,305	129,845	133,015	281,962	312,763
Three years later				317,055	437,127	256,305	129,845	133,015	281,962	312,763
Four years later					437,127	256,305	129,845	133,015	281,962	312,763
Five years later						256,305	129,845	133,015	281,962	312,763
Six years later							129,845	133,015	281,962	312,763
Seven years later								133,015	281,962	312,763
Eight years later									281,962	312,763
Nine years later										312,763
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		50,251	\$ (29,524)	\$ (132,945)	\$ (62,873)	\$ (143,695)	\$ 4,845	\$ (16,985)	\$ (18,038)	\$ 62,763

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>FIDELITY &amp; CRIME</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 297,169	\$ 132,329	\$ 341,109	\$ 295,818	\$ 279,315	\$ 276,779	\$ 297,756	\$ 300,405	\$ 299,304	\$ 298,819
Ceded				-	-	-	-	-	-	44,828
Net earned	297,169	132,329	341,109	295,818	279,315	276,779	297,756	300,405	299,304	253,991
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 202,616	\$ 150,000	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	202,616	150,000	100,000	150,000	150,000	150,000	100,000	100,000	100,000	75,000
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 17,587	\$ -	\$ -	\$ -	\$ 3,126	\$ -	\$ -	\$ 2,145	\$ 5,422	\$ -
One year later		-	-	22,242	3,126	-	118,703	190,911	89,198	-
Two years later			-	22,242	3,126	-	121,736	190,911	88,801	6,251
Three years later				22,242	3,126	1,163	121,736	190,911	94,241	6,251
Four years later					3,126	1,163	121,736	190,911	98,328	-
Five years later						1,163	121,736	190,911	97,428	-
Six years later							121,736	190,911	94,516	-
Seven years later								190,911	85,089	-
Eight years later									85,089	-
Nine years later										-
<b>4. Re-estimated ceded losses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 202,616	\$ 150,000	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000
One year later		49,378	25,000	75,000	100,000	50,000	175,000	250,000	125,000	125,000
Two years later			11,152	25,000	3,126	-	150,000	225,000	125,000	50,000
Three years later				23,354	3,126	1,163	121,736	190,911	125,000	50,000
Four years later					3,126	1,163	121,736	190,911	125,000	-
Five years later						1,163	121,736	190,911	125,000	-
Six years later							121,736	190,911	94,517	-
Seven years later								190,911	89,553	-
Eight years later									85,090	-
Nine years later										-
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		\$ (100,622)	\$ (88,848)	\$ (126,646)	\$ (146,874)	\$ (148,837)	\$ 21,736	\$ 90,911	\$ (14,910)	\$ (75,000)

**Virginia Risk Sharing Association and Subsidiaries**  
**Claims Development by Line of Coverage, Continued**  
**As of Fiscal and Policy Years Ended June 30,**

<b>CYBER</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>1. Premiums</b>										
Earned	\$ 1,122,564	\$ 317,089	\$ 748,483	\$ 436,175	\$ 369,560	\$ 318,772				
Ceded	306,825	18,033	120,514	85,866	85,136	68,712				
Net earned	815,739	299,056	627,969	350,309	284,424	250,060				
<b>2. Initial estimated total incurred losses</b>										
Incurred	\$ 1,456,790	\$ 968,867	\$ -	\$ 350,000	\$ -	\$ -				
Ceded	-	7,399	-	-	-	-				
Net incurred	1,456,790	961,468	-	350,000	200,000	150,000				
<b>3. Paid losses (cumulative)</b>										
Policy year	\$ 255,333	\$ 225,980	\$ -	\$ 65,903	\$ 19,708	\$ 1,971				
One year later		480,743	-	82,806	92,286	39,924				
Two years later			-	82,806	64,763	61,971				
Three years later				82,806	64,763	21,971				
Four years later					64,763	21,971				
Five years later						21,971				
Six years later										
Seven years later										
Eight years later										
Nine years later										
<b>4. Re-estimated ceded losses</b>		\$ -	\$ -	\$ 25,000	\$ 42,927	\$ 71,668				
<b>5. Re-estimated total incurred losses</b>										
Policy year	\$ 1,456,790	\$ 961,468	\$ -	\$ 350,000	\$ 200,000	\$ 150,000				
One year later		672,084	-	150,000	200,000	150,000				
Two years later			-	100,000	100,000	75,000				
Three years later				85,290	100,000	25,000				
Four years later					65,411	21,971				
Five years later						21,971				
Six years later										
Seven years later										
Eight years later										
Nine years later										
<b>6. Increase (decrease) in total incurred losses from end of policy year</b>		\$ (289,384)	\$ -	\$ (264,710)	\$ (134,589)	\$ (128,029)	\$ -	\$ -	\$ -	\$ -

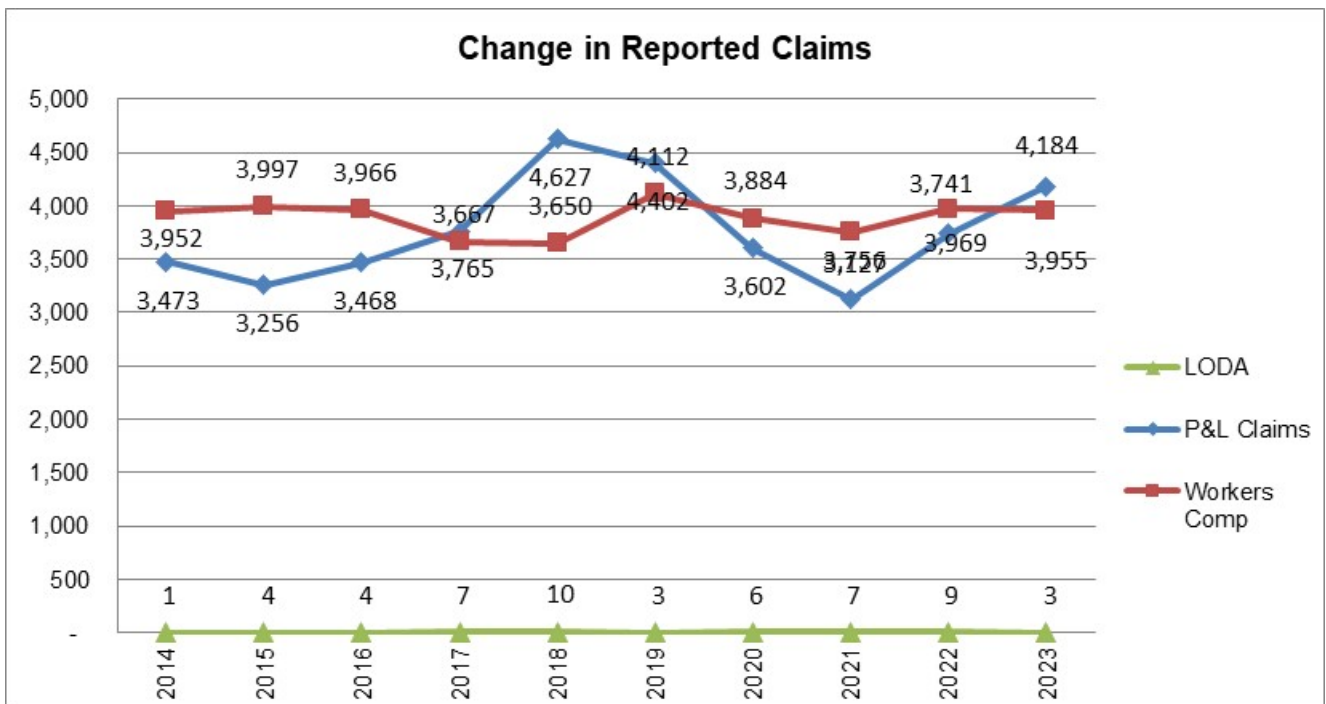
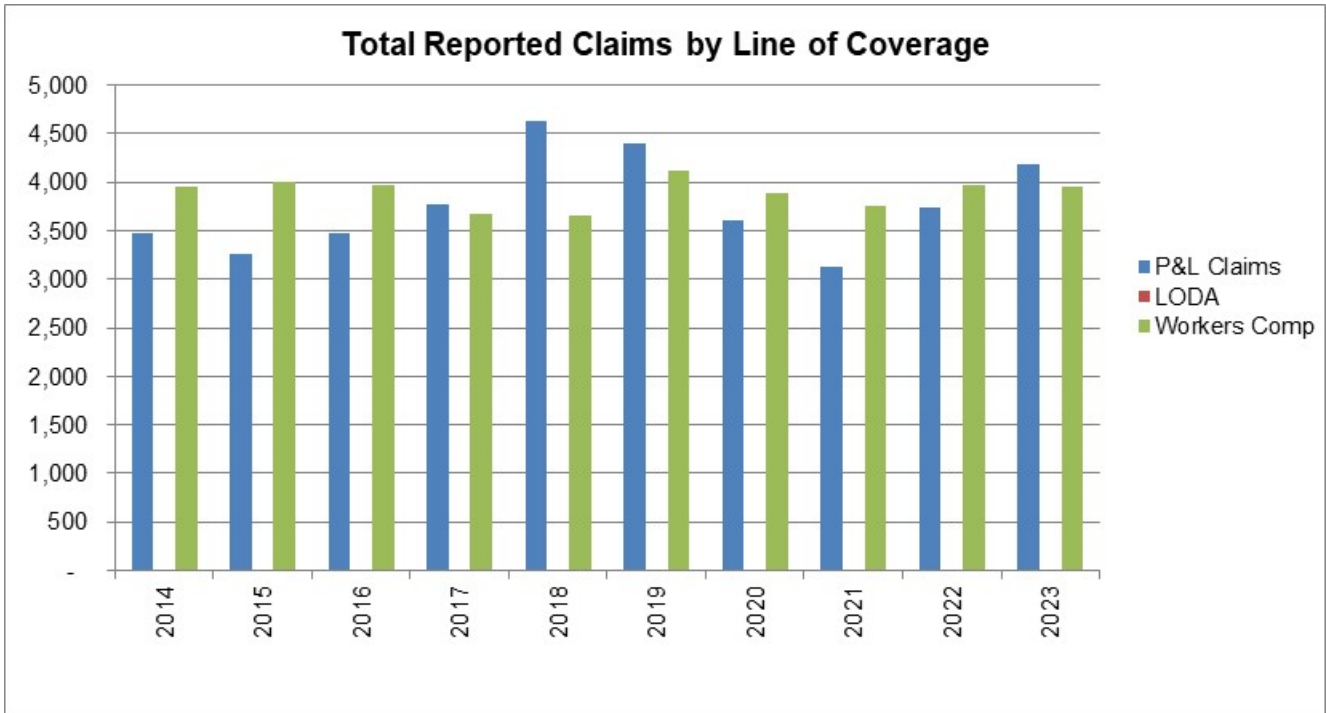
**Virginia Risk Sharing Association and Subsidiaries**  
**Reported Claims Analysis by Line of Coverage**  
**For Policy Years Ended June 30,**

Line of Coverage	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Auto Liability	1,039	1,047	1,062	1,052	1,360	1,286	898	676	956	1,064
General Liability	1,218	956	977	986	1,101	1,122	873	847	908	948
LE & PO	112	112	132	241	269	161	201	137	78	70
Auto Physical	754	758	888	984	1,352	1,271	1,136	959	1,266	1,565
Property/Inland Marine	342	369	402	488	518	533	462	498	497	503
Boiler/Machinery	5	8	4	7	14	15	14	8	13	14
Fidelity/Crime	3	6	3	7	7	3	5	2	2	7
Cyber	-	-	-	-	6	11	13	-	21	13
LODA	1	4	4	7	10	3	6	7	9	3
Workers Comp	3,952	3,997	3,966	3,667	3,650	4,112	3,884	3,756	3,969	3,955
<b>Total Claims Reported</b>	<b>7,426</b>	<b>7,257</b>	<b>7,438</b>	<b>7,439</b>	<b>8,287</b>	<b>8,517</b>	<b>7,492</b>	<b>6,890</b>	<b>7,719</b>	<b>8,142</b>
% change		-2.28%	2.49%	0.01%	11.40%	2.78%	-12.03%	-8.04%	12.03%	5.48%
overall % change										9.64%

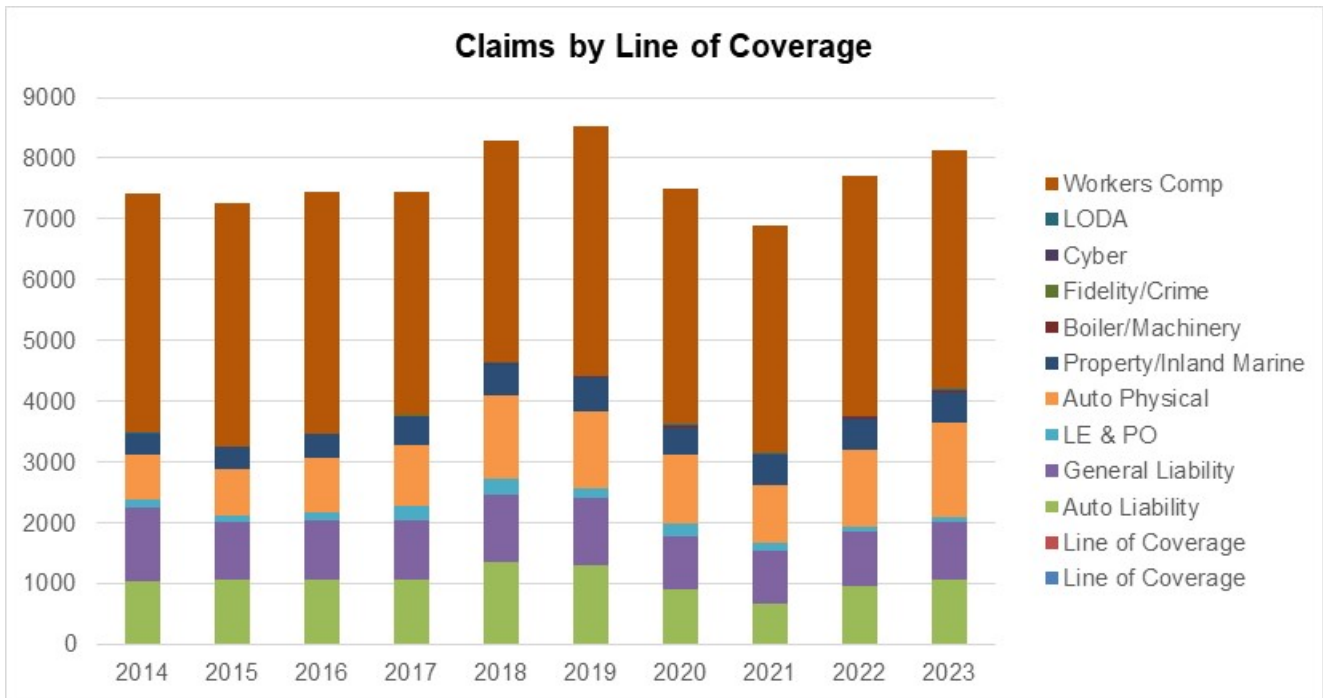
Claims are reported via different methods including online, via the nurse triage service, fax, phone and mail. Claims are associated with the policy year that the occurrence happened in, regardless of when the claim is reported. As a result, claims counts can change for previous policy years.



**Virginia Risk Sharing Association and Subsidiaries**  
**Reported Claims Analysis by Line of Coverage, Continued**  
**For Policy Years Ended June 30,**



**Virginia Risk Sharing Association and Subsidiaries  
 Reported Claims Analysis by Line of Coverage, Continued  
 For Policy Years Ended June 30,**

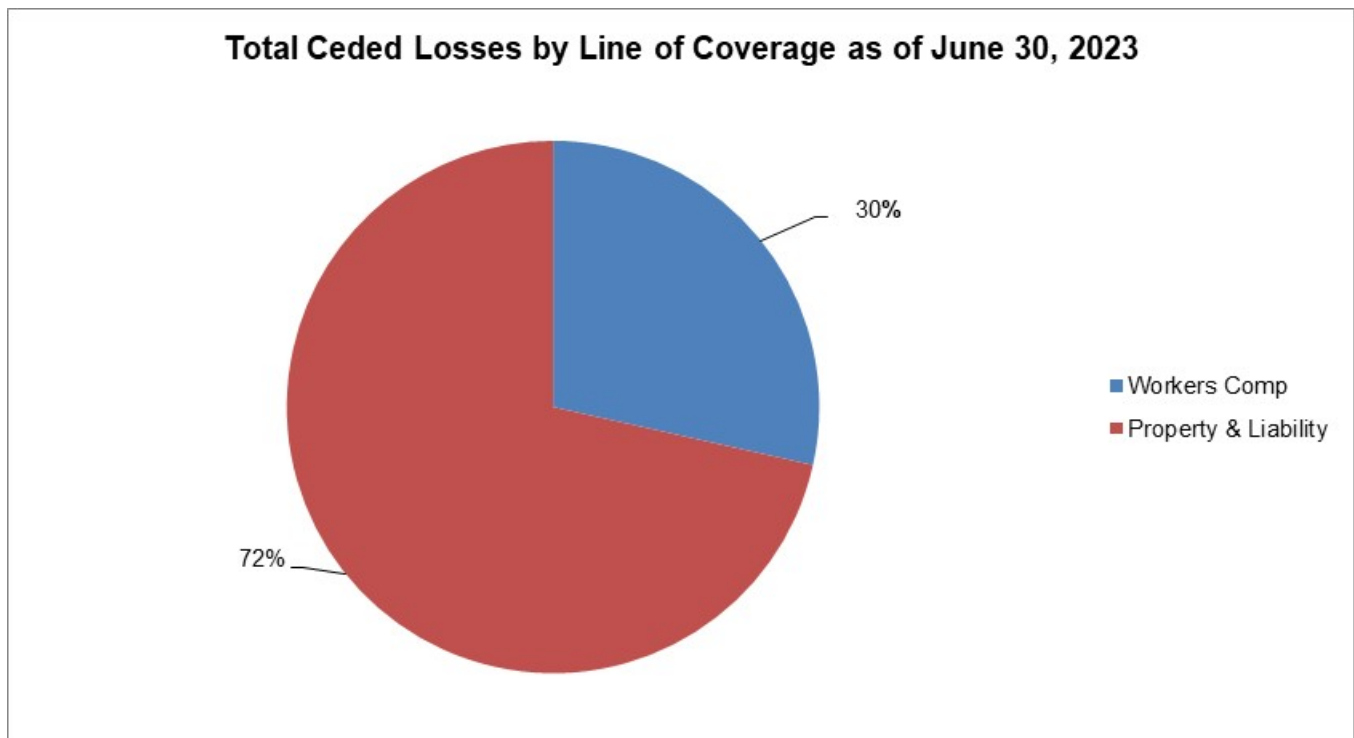
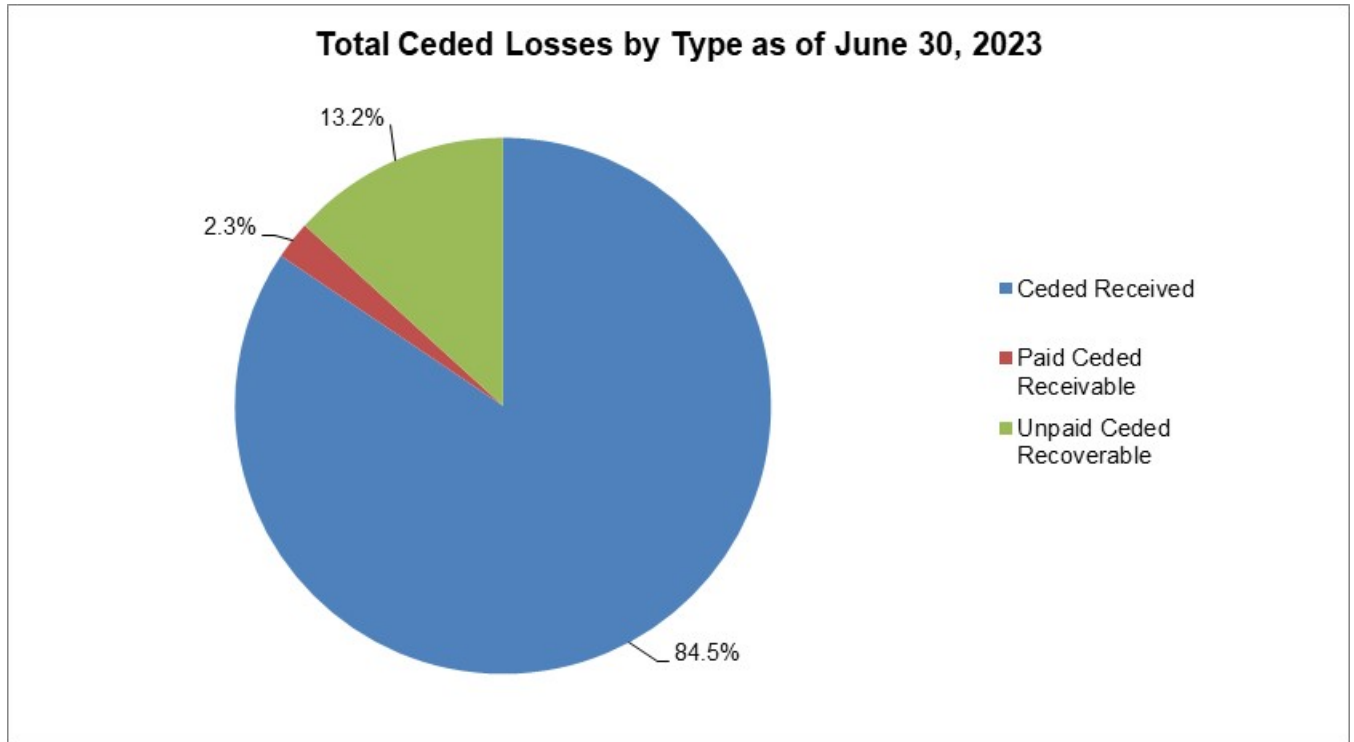


**Virginia Risk Sharing Association and Subsidiaries**  
**Total Ceded Loss Analysis**

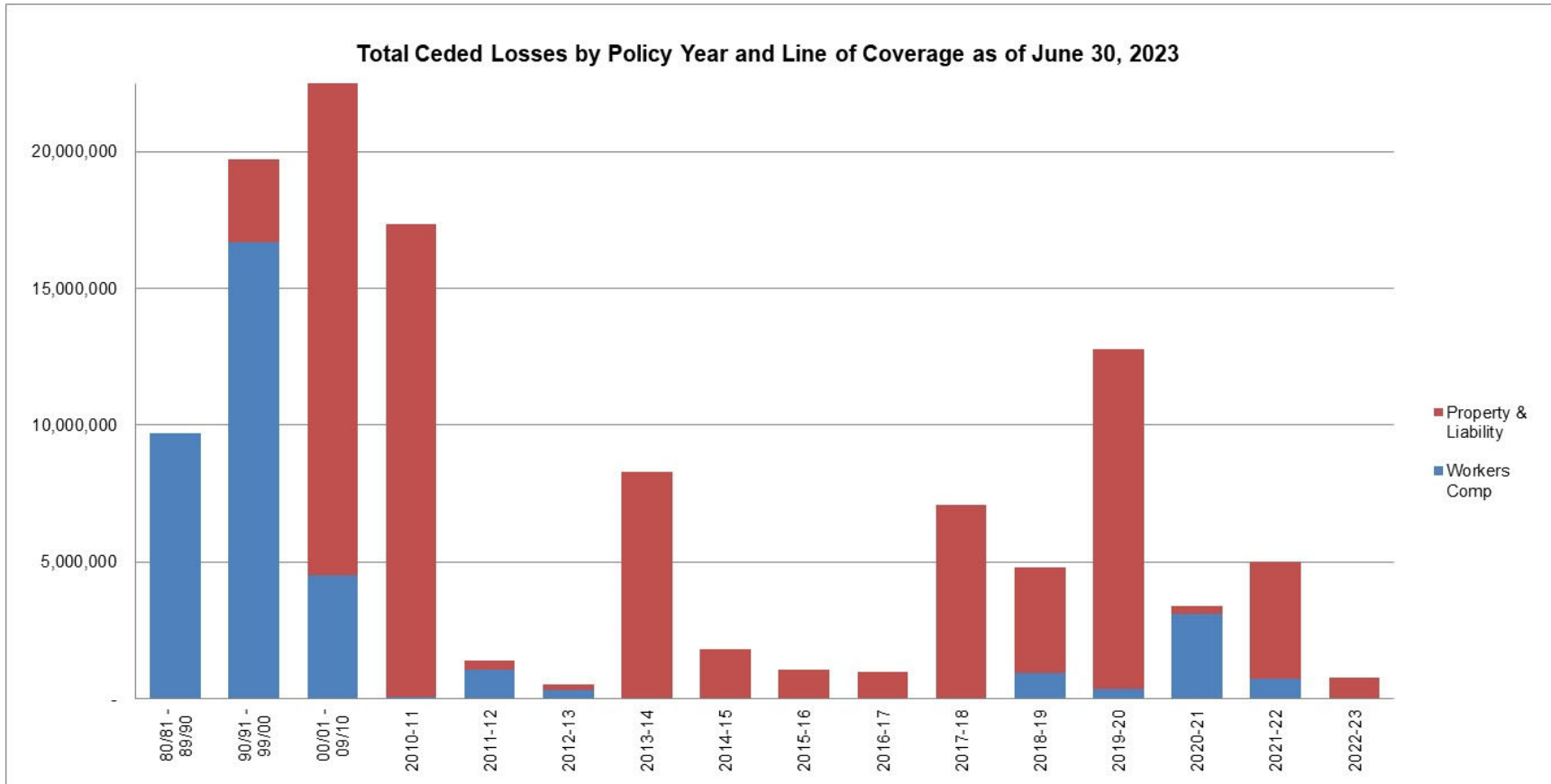
Policy Year	Ceded Losses - Workers Comp				Ceded Losses - Liability				Ceded Losses - Total			
	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable
1980-81	228,418	228,418	-	-	-	-	-	-	228,418	228,418	-	-
1981-82	-	-	-	-	-	-	-	-	-	-	-	-
1982-83	371,472	276,381	7,881	87,210	-	-	-	-	371,472	276,381	7,881	87,210
1983-84	876,753	394,696	123,424	358,633	-	-	-	-	876,753	394,696	123,424	358,633
1984-85	2,080,748	2,064,311	1,540	14,897	-	-	-	-	2,080,748	2,064,311	1,540	14,897
1985-86	486,647	453,032	33,615	-	-	-	-	-	486,647	453,032	33,615	-
1986-87	236,377	180,522	27,431	28,424	-	-	-	-	236,377	180,522	27,431	28,424
1987-88	1,513,182	1,154,219	26,261	332,702	-	-	-	-	1,513,182	1,154,219	26,261	332,702
1988-89	2,082,235	816,206	117,253	1,148,776	-	-	-	-	2,082,235	816,206	117,253	1,148,776
1989-90	1,812,594	1,710,220	2,012	100,362	-	-	-	-	1,812,594	1,710,220	2,012	100,362
80/81 - 89/90	9,688,426	7,278,005	339,417	2,071,004	-	-	-	-	9,688,426	7,278,005	339,417	2,071,004
1990-91	1,249,874	766,132	-	483,742	-	-	-	-	1,249,874	766,132	-	483,742
1991-92	1,095,460	246,965	81,165	767,330	-	-	-	-	1,095,460	246,965	81,165	767,330
1992-93	989,936	803,993	4,866	181,077	-	-	-	-	989,936	803,993	4,866	181,077
1993-94	1,702,721	952,785	80,105	669,831	681,112	681,112	-	-	2,383,833	1,633,897	80,105	669,831
1994-95	756,048	468,844	71,949	215,255	69,203	69,203	-	-	825,251	538,047	71,949	215,255
1995-96	1,975,024	656,313	172,187	1,146,524	610,337	610,337	-	-	2,585,361	1,266,650	172,187	1,146,524
1996-97	1,848,452	1,589,533	3,534	255,385	281,118	281,118	-	-	2,129,570	1,870,651	3,534	255,385
1997-98	856,858	776,957	31,588	48,313	209,905	209,905	-	-	1,066,763	986,862	31,588	48,313
1998-99	4,455,184	2,757,775	350,189	1,347,220	374,279	374,279	-	-	4,829,463	3,132,054	350,189	1,347,220
1999-00	1,748,612	448,202	204,013	1,096,397	795,536	795,536	-	-	2,544,148	1,243,738	204,013	1,096,397
90/91 - 99/00	16,678,169	9,467,499	999,596	6,211,074	3,021,488	3,021,488	-	-	19,699,657	12,488,987	999,596	6,211,074
2000-01	1,316,162	1,166,261	-	149,901	2,475,757	2,475,757	-	-	3,791,919	3,642,018	-	149,901
2001-02	361,828	361,828	-	-	2,428,656	2,428,656	-	-	2,790,484	2,790,484	-	-
2002-03	-	-	-	-	1,150,898	1,150,898	-	-	1,150,898	1,150,898	-	-
2003-04	335,026	335,026	-	-	4,857,555	4,857,555	-	-	5,192,581	5,192,581	-	-
2004-05	1,260,076	-	-	1,260,076	8,098,020	8,098,020	-	-	9,358,096	8,098,020	-	1,260,076
2005-06	1,234,721	-	112,560	1,122,161	4,317,382	4,317,382	-	-	5,552,103	4,317,382	112,560	1,122,161
2006-07	-	-	-	-	2,802,735	2,802,735	-	-	2,802,735	2,802,735	-	-
2007-08	-	-	-	-	3,914,351	3,914,351	-	-	3,914,351	3,914,351	-	-
2008-09	-	-	-	-	913,867	913,867	-	-	913,867	913,867	-	-
2009-10	-	-	-	-	1,625,014	1,625,014	-	-	1,625,014	1,625,014	-	-
2010-11	81,342	-	-	81,342	17,271,374	17,271,374	-	-	17,352,716	17,271,374	-	81,342
2011-12	1,064,975	262,382	-	802,593	323,524	323,524	-	-	1,388,499	585,906	-	802,593
2012-13	291,889	-	75,441	216,448	209,480	209,480	-	-	501,369	209,480	75,441	216,448
2013-14	-	-	-	-	8,271,578	8,271,578	-	-	8,271,578	8,271,578	-	-
2014-15	-	-	-	-	1,790,972	1,790,972	-	-	1,790,972	1,790,972	-	-
2015-16	31,343	31,343	-	-	1,018,949	1,018,949	-	-	1,050,292	1,050,292	-	-
2016-17	-	-	-	-	978,517	978,517	-	-	978,517	978,517	-	-
2017-18	-	-	-	-	7,085,840	6,590,978	-	494,862	7,085,840	6,590,978	-	494,862
2018-19	943,697	148,812	5,921	788,964	3,839,021	3,839,021	-	-	4,782,718	3,987,833	5,921	788,964
2019-20	367,000	-	-	367,000	12,413,626	11,775,494	623,153	14,979	12,780,626	11,775,494	623,153	381,979
2020-21	3,095,975	750,000	19,919	2,326,056	276,886	276,886	-	-	3,372,861	1,026,886	19,919	2,326,056
2021-22	747,808	-	-	747,808	4,256,682	3,393,588	680,311	182,783	5,004,490	3,393,588	680,311	930,591
2022-23	4,881	-	-	4,881	766,927	-	176,957	589,970	771,808	-	176,957	594,851
Grand Totals:	37,503,318	19,801,156	1,552,854	16,149,308	94,109,099	91,346,084	1,480,421	1,282,594	131,612,418	111,147,240	3,033,275	17,431,902

Ceded losses are losses that surpass a contracted self-insurance retention level and are then covered by one or more reinsurers.  
Total ceded losses = Ceded received + Paid Ceded receivable + Unpaid Ceded recoverable  
Ceded received = loss expenses above retention that have been reimbursed by reinsurer(s)  
Paid Ceded receivable = loss expenses above retention that have been submitted to reinsurer(s) for reimbursement but not paid yet  
Unpaid Ceded recoverable = loss reserves on a claim that are an estimation of expenses that will be submitted to reinsurer(s) for reimbursement

**Virginia Risk Sharing Association and Subsidiaries**  
**Total Ceded Loss Analysis, Continued**



**Virginia Risk Sharing Association and Subsidiaries  
Total Ceded Loss Analysis, Continued**



## Virginia Risk Sharing Association and Subsidiaries Reinsurance History

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
1980-81	WC	Insurance Company of North America	\$175,000	
1981-82	WC	Insurance Company of North America	\$175,000	
1982-83	WC	Mead Reinsurance Corp.	\$175,000	
1983-84	WC	Employers Reinsurance Corp.	\$175,000	
1984-85	WC	Employers Reinsurance Corp.	\$150,000	
1985-86	WC	Employers Reinsurance Corp.	\$150,000	
1986-87	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit \$1,000,000 cap
	PD	General Reinsurance	\$50,000	
	WC	Employers Reinsurance Corp.	\$250,000	
1987-88	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	
	WC	Employers Reinsurance Corp.	\$250,000	
1988-89	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit \$1,000,000 cap
	PD	General Reinsurance	\$50,000	
	WC	Employers Reinsurance Corp.	\$300,000	
1989-90	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit \$1,000,000 cap
	PD	General Reinsurance	\$50,000	
	WC	General Reinsurance	\$400,000	
1990-91	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit \$1,000,000 cap
	PD	General Reinsurance	\$50,000	
	WC	General Reinsurance	\$400,000	
1991-92	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$1,000,000 cap
	GL & AL	General Reinsurance	\$1,000,000	
	PD	General Reinsurance	\$50,000	
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1992-93	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$1,000,000 cap
	GL & AL	General Reinsurance	\$1,000,000	
	PD	General Reinsurance	\$50,000	
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1993-94	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$1,000,000 cap
	GL & AL	General Reinsurance	\$1,000,000	
	PD	General Reinsurance	\$50,000	
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1994-95	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$1,000,000 cap
	GL & AL	General Reinsurance	\$1,000,000	
	PD	General Reinsurance	\$50,000	
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1995-96	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$1,000,000 cap
	GL & AL	General Reinsurance	\$1,000,000	
	PD	General Reinsurance	\$50,000	
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1996-97	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$1,000,000 cap
	GL & AL	General Reinsurance	\$1,000,000	
	PD	General Reinsurance	\$50,000	
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1997-98	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$300,000 annual aggregate
	GL & AL	General Reinsurance	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	
	WC	General Reinsurance	\$400,000	
1998-99	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$300,000 annual aggregate
	GL & AL	General Reinsurance	\$500,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
1999-00	BM	Hartford Steam Boiler	100% reinsured	50/50 on first \$500,000 above limit \$300,000 annual aggregate
	CC	Fidelity & Deposit Company of Maryland	100% reinsured	
	GL & AL	General Reinsurance	\$500,000	
	LE & PO	General Reinsurance	\$500,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	

## Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
2000-01	BM, CC	Swiss Reinsurance America	\$25,000	
	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	LE & PO	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$50,000	\$500,000 annual aggregate
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
2001-02	BM, CC	Swiss Reinsurance America	\$25,000	
	GL & AL	General Reinsurance	\$1,000,000	
	LE & PO	General Reinsurance	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$250,000	\$20M windstorm limit
	PR	Lloyds of London		50% \$30M excess of \$20M
	PR	Royal Indemnity		25% \$30M excess of \$20M, 50% \$50M excess of \$50M
	PR	Westchester Fire Insurance Company		25% \$30M excess of \$20M, 50% \$50M excess of \$50M
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
2002-03	BM, CC	Swiss Reinsurance America	\$50,000	
	GL & AL	General Reinsurance	\$1,000,000	
	LE & PO	General Reinsurance	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$500,000	\$20M windstorm limit
	PR	Lloyds of London		\$30M excess of \$20M
	PR catastrophe	Swiss Reinsurance America	\$1,000,000	\$5M limit
	PR catastrophe	Lloyds of London		\$10M excess of \$5M
	WC	NLC Mutual Insurance Company	\$1,000,000	
	XS	General Reinsurance	\$1,000,000	25/75 quota share above limit
2003-04	BM, CC	Swiss Reinsurance America	\$100,000	
	GL, AL, PO, LE	NLC Mutual Insurance Company	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$1,000,000	\$20M windstorm limit
	PR	Lloyds of London		\$30M excess of \$20M
	PR catastrophe	Swiss Reinsurance America	\$1,000,000	\$5M limit
	PR catastrophe	Lloyds of London		\$10M excess of \$5M
	WC	NLC Mutual Insurance Company	\$1,000,000	
	XS	NLC Mutual Insurance Company	100% reinsured	\$5M limit
	XS	General Reinsurance		100% excess of \$5M
2004-05	BM	Zurich American Insurance Company	25000	\$100M limit
	CC	Axis Reinsurance	\$300,000	60% of \$1M limit
	CC	Lloyds of London		20% of \$1M limit
	CC	Westchester Fire Insurance Company		20% of \$1M limit
	GL, AL, PO, LE	NLC Mutual Insurance Company	\$1,000,000	
	PR	Axis Reinsurance	\$500,000 & \$1M windstorm	60% of \$25M limit, 40% of \$75M excess of \$25M
	PR	Westchester Fire Insurance Company		20% of \$25M limit, 60% of \$75M excess of \$25M
	PR	Lloyds of London		20% of \$25M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	
	XS	NLC Mutual Insurance Company	100% reinsured	shared burden
XS	General Reinsurance	100% reinsured	shared burden	
2005-06	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000 & \$1M windstorm	\$1B limit
	WC	Safety National Casualty Corporation	\$1,000,000	
	XS	Evanston Insurance Company	100% reinsured	share in \$5M limit
	XS	James River Insurance Company	100% reinsured	share in \$5M limit
	XS	Liberty Mutual Insurance Company	100% reinsured	share in \$5M limit
	XS	Odyssey American Reinsurance Corp.	100% reinsured	share in \$5M limit
	XS	Signet Star Reinsurance	100% reinsured	share in \$5M limit
XS	General Reinsurance	100% reinsured	members with \$6M - \$10M limits	
XS	Landmark American Insurance	100% reinsured	members with greater than \$10M limits	
2006-07	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	Safety National Casualty Corporation	\$2,000,000	
	XS	ACE American Insurance Company	\$1,000,000	\$10M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$350M limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$100M limit
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$75M limit

**Virginia Risk Sharing Association and Subsidiaries  
Reinsurance History, Continued**

<u>Policy Years</u>	<u>Line of Coverage</u>	<u>Reinsurance Carrier</u>	<u>Retention Limits</u>	<u>Quota Share or Limit Cap</u>
2007-08	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$2,000,000	\$500,000 excess of \$2M
	WC	Midwest Employers Casualty Company		100% excess of \$2.5M
	XS	ACE American Insurance Company	\$1,000,000	\$10M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit
2008-09	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,500,000	50/50 of \$500,000 excess of \$1.5M
	WC	Midwest Employers Casualty Company		100% excess of \$2M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2009-10	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	50/50 of \$1M excess of \$1M
	WC	Midwest Employers Casualty Company		100% excess of \$2M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2010-11	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	50/50 of \$500,000 excess of \$1M
	WC	Midwest Employers Casualty Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$300M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2011-12	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	\$500,000 excess of \$1M
	WC	Arch Insurance Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$300M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2012-13	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit
	WC	Arch Insurance Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	



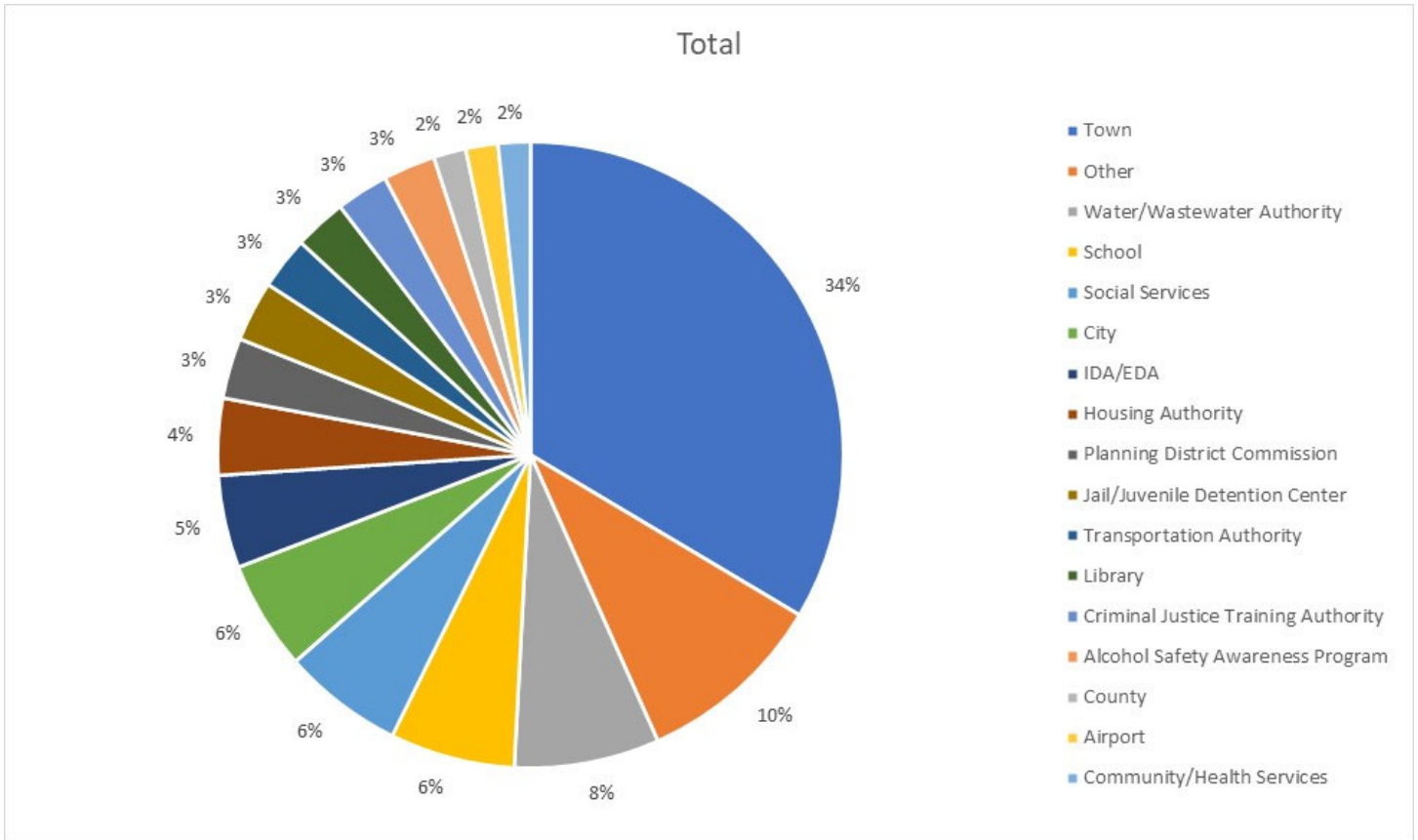
## Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap	
2013-14	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000		
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit	
	WC	NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit	
	WC	Arch Insurance Company		100% excess of \$1.5M	
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit	
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
	2014-15	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
BM		Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
CC		National Union Fire Insurance Co.	\$300,000	\$1M limit	
WC		NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit	
WC		Arch Insurance Company		100% excess of \$1.5M	
XS		ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
XS		NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
PD		Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
PR		Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit	
PR windstorm		Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
PR flood		Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2015-16		GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CC	no longer reinsured			
	WC	NLC Mutual Insurance Company	\$750,000	75/25 on first \$750,000 above limit	
	WC	Arch Insurance Company		100% excess of \$1.5M after \$250K corridor	
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Lexington Insurance Co (PEPIP)	\$1,000,000	\$1B limit	
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
	2016-17	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit
BM		Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
WC		NLC Mutual Insurance Company	\$750,000	75/25 on first \$750,000 above limit	
WC		Midwest Employers Casualty Company		100% excess of \$1.5M	
XS		ACE American Insurance Company	\$1,000,000	75% excess of \$1M to limit of \$10M	
XS		NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
PD		Alliant Property Insurance Program (APIP)	\$150,000	includes mobile equipment	
PR		Alliant Property Insurance Program (APIP)	\$1,000,000	\$1B limit	
PR windstorm		Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood		Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	
2017-18		GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit
		BM	Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Beazley	\$10,000 - \$50,000	\$25M limit	
	WC	Midwest Employers Casualty Company	\$1,500,000	100% excess of \$1.5M	
	XS	Chubb	\$1,000,000	90% excess of \$1M to limit of \$10M	
	PD	Alliant Property Insurance Program (APIP)	\$150,000	includes mobile equipment	
	PR	Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit	
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	
	2018-19	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit
		Pollution	Chubb Environmental	\$25,000	\$1M pollution condition; \$10M aggregate
		BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
CL (Cyber)		Beazley (PEPIP)	\$10,000 - \$50,000	\$25M limit, \$10M member aggregate	
WC		Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000	
WC		Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M	
XS		Chubb (ACE)	\$1,000,000	90% excess of \$1M to limit of \$10M	
PD		Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
PR		Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit	
PR windstorm		Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood		Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	

## Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
2019-20	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	\$10M limit
	Pollution	Chubb Environmental	\$25,000	\$1M pollution condition; \$10M aggregate
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CL (Cyber)	Beazley (PEPIP)	\$10,000 - \$50,000	\$25M limit, \$10M member aggregate
	WC	C	\$750,000	100% excess of \$750,000 up to \$750,000
	WC	Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M
	XS	Virginia Interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M
	XS	Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit
	2020-21	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000
Pollution		Chubb Environmental	N/A	\$1M pollution condition; \$10M aggregate
BM		Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
CL (Cyber)		Beazley (PEPIP)	N/A	\$2M limit, \$25M member aggregate
WC		Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$750,000
WC		Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M
XS		Virginia interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M
XS		Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M
PD		Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
PR		Alliant Property Insurance Program (APIP)	\$1,000,000	\$500M limit
PR windstorm		Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
PR flood		Alliant Property Insurance Program (APIP)	\$1,000,000	\$100M limit
2021-22		GL, AL, PO, LE	N/A - level self-insured	\$1,000,000
	Pollution	Ironshore Environmental Insurance	N/A	\$1M pollution condition subject to \$250,000 deductible; \$2M agg
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CL (Cyber)	Virginia Interlocal Risk Sharing Assoc (captive)	N/A	Up to \$5M aggregate losses
	CL (Cyber)	Tokio Marine	\$5M	\$5M excess of \$5M
	WC	Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$750,000 with \$1.7M agg.
	WC	Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M
	XS	Virginia interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M
	XS	Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$1M/150,000	includes mobile equipment
	PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$500M limit
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
	PR flood	Alliant Property Insurance Program (APIP)	\$1,000,000	\$100M limit
2022-23	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	Varies by member up to \$10M
	Pollution	Ironshore Environmental Insurance	N/A	\$1M pollution condition subject to \$250,000 deductible; \$2M agg
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CL (Cyber)	Virginia Interlocal Risk Sharing Assoc (captive)	N/A	Up to \$5M aggregate losses
	CL (Cyber)	Tokio Marine	\$5M	\$5M excess of \$5M
	WC	Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$750,000 with \$1.7M agg.
	WC	Midwest Employers Casualty Company	\$750,000	100% excess of \$1.75M
	XS	Virginia interlocal Risk Sharing Assoc (captive)	\$1,000,000	\$1M excess of \$1M aggregate
	XS	Chubb (ACE)	Varies	100% excess of \$2M up to member specific limit
	PD	Lexington Insurance Co (PEPIP)	\$1M/150,000	includes mobile equipment
	PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$500M limit subject to \$1M corridor
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
	PR flood	Alliant Property Insurance Program (APIP)	\$1,000,000	\$100M limit

**Virginia Risk Sharing Association and Subsidiaries  
2022 – 2023 Membership by Type**





**COMPLIANCE SECTION**

For the Period July 1, 2022 – June 30, 2023

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Members' Supervisory Board  
Virginia Risk Sharing Association

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Virginia Risk Sharing Association and Subsidiaries (the "Pool"), which comprise the consolidated statement of net position as of June 30, 2023, and the related consolidated statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 22, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Pool's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Pool's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish at the end.

December 22, 2023  
Glen Allen, Virginia

**Virginia Risk Sharing Association**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Years Ended June 30, 2023 and 2022**



**VRSA**

Virginia Risk Sharing Association

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*More Than Insurance*

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